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**COPY**



**Sunnyside Cogeneration Associates**

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

March 28, 2004

Pam Grubaugh-Littig  
STATE OF UTAH  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

*Incoming  
C/007/042  
OK*

RE: Annual Report for 2003  
SCA Star Point Mining Permit, C/007/042

Dear Ms. Littig:

Please find enclosed two copies of SCA's Annual report for 2003, for coal mining and reclamation operations at the SCA Star Point site. This report is inclusive of the activities that occurred within the SCA Star Point Mining Permit area during the fourth quarter of 2003.

Should you have any questions, please contact me or Rusty Netz at (435)888-4476.

Sincerely,

Agent For  
Sunnyside Cogeneration Associates

Randy J. Scott  
Plant Manager

Enclosure

cc. Brian Burnett, Callister, Nebeker and McCullough  
Rusty Netz, SCA  
Plant File

**RECEIVED**

**MAR 31 2004**

DIV. OF OIL, GAS & MINING

File in:

Confidential

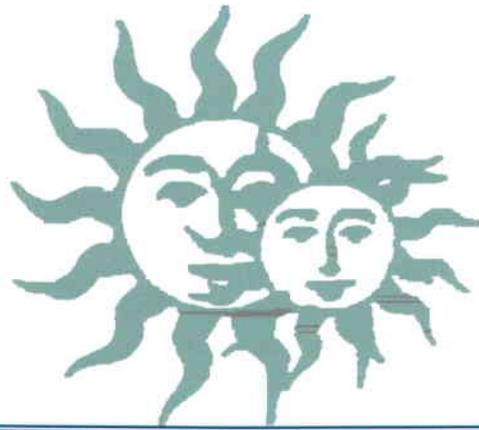
Shelf

Expandable

Refer to Record No 0011 Date 03282004

In C/ 0070042 *Incoming*

*2003 Annual Report*



**2003 Annual Report**  
**Sunnyside Cogeneration Associates**  
**Star Point Waste Fuel**  
**C/007/042**





**SUNNYSIDE COGENERATION ASSOCIATES  
STAR POINT WASTE FUEL  
C/007/042  
2003 ANNUAL REPORT**

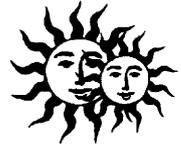
Submitted to:

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

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MAR 31 2004

DIV. OF OIL, GAS & MINING



**SUNNYSIDE COGENERATION ASSOCIATES**  
**STAR POINT WASTE FUEL**  
**2003 ANNUAL REPORT**

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## I. GENERAL PERMIT INFORMATION

**Permit Number:** C/007/042

**Mine Name:** Star Point Waste Coal Pile

**Permittee:** Sunnyside Cogeneration Associates

**Company Representative  
& Resident Agent:** Mr. Randy J. Scott – Plant Manager  
One Power Plant Road  
PO Box 159  
Sunnyside, UT 84539  
(801) 888-4476  
(801) 888-2538 fax

**Date of Initial Permanent Program Permit:** November 14, 2003

**Date of Most Recent Permit Renewal:** New Permit

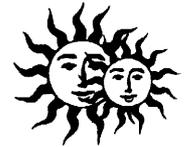
**Date of Expiration:** November 14, 2008

The Star Point Mine has been operating for many years. Most recently, the permit was held by RAG America. With the end of underground mining operations at Star Point, an agreement was reached for SCA to acquire and excavate the material in the Coarse Refuse Pile that had been created by the Star Point operations.

SCA began the process of obtaining a mining and reclamation permit for a portion of the Star Point Permit Area that included the refuse pile. DOGM issued a complete Technical Analysis without deficiencies for the new permit in mid 2003. SCA then completed its bonding requirements, signed the Reclamation Agreement and received the completed and approved permit in November.

Information relating to RAG's operations prior to SCA's permit approval should be identified in their annual report. This report will focus on operations within the SCA permit area after the permit approval date.

A copy of the Reclamation Agreement between SCA and DOGM for the Star Point Waste Fuel Mine is included in Appendix E.



## II. IDENTIFICATION OF OTHER PERMITS

**MSHA ID Numbers:** Star Point Refuse Pile Mine ID No. 42-02334  
Coarse Refuse Pile 1211-UT-09-02334-01

MSHA has maintained jurisdiction over the Star Point Mine and its Coarse Refuse Pile for many years. This has been throughout the process of constructing the pile. In connection with the mining permit transfer from RAG to SCA in late 2003, a request for final abandonment of the refuse pile was made to MSHA. That request was granted by MSHA in a letter dated January 28, 2004. A copy of the request and approval from MSHA is enclosed in Appendix F.

As such, SCA's Star Point Waste Fuel Mine has no MSHA qualifying facilities or structures.

**UPDES Permit Number:** UTR000604 Approved effective August 29, 2002  
Expires December 31, 2006

Under the Utah Pollutant Discharge Elimination System, the Utah Department of Water Quality issued SCA a Multi-Sector General Permit for Storm Water Discharges associated with Industrial Activities from Coal Mines and Coal Mining-related Facilities. A copy of this permit can be found in the Mining and Reclamation permit under Exhibit 742.221c.

### **Air Quality Permit:**

The operations on the Star Point Waste Coal Pile are of such a nature that the mining operation generates little to no emissions. The Utah State Department of Air Quality (DAQ) has determined that special air quality permitting is not required. DAQ issued a Small Source Exemption – De Minimis Emissions permit / letter for the Star Point Waste Fuel operation.



### III. CERTIFIED REPORTS

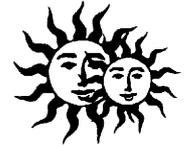
Each impoundment as well as the Refuse Pile and the proposed Disposal Area were inspected in accordance with the requirements of the Mining and Reclamation Permit. The quarterly and annual inspection / certification reports were submitted to the Division. These reports are also included in **Appendix A**.

All of the impoundments met or exceeded the storage capacity requirements identified in the permit.

No construction of the proposed Disposal Area occurred in 2003.

Excavation of Refuse from the Refuse Pile occurred in general conformance with the operational criteria and performance standards established in the permit. In 2003, the operator excavated coal material by removing refuse directly from the top of the refuse pile and also by pushing material from the top down the northeast face of the pile to be loaded.

In early 2004, the operator removed material from the lower face of the pile, resulting in a steeper slope. It was determined that this did not comply with the approved mining plan and the inspector issued a notice of violation (NOV # N04-49-3-1) on February 25, 2004. SCA immediately stopped its operation until the slope was restored. SCA then submitted a permit amendment, on March 24, 2004, to allow for excavation of coal materials from the slopes with specific criteria regarding appropriately safe slopes. The amendment is currently under review by DOGM.



## **IV. REPORTING OF OTHER TECHNICAL DATA**

### **1. Climatological Data**

None

### **2. Subsidence Monitoring Data**

No subsidence monitoring is required by the approved plan. No material damage or diminution within the Permit Area will be caused by subsidence because no underground coal resources are available within the permit area that would cause subsidence. No past or future underground coal mining operations have or are likely to occur within the SCA Permit Area.

### **3. Vegetation Monitoring Data**

Two areas within the permit area have received final reclamation treatment. These are located at the west end of the permit area and at the southeast side, both adjoining the permit boundary. These areas were reclaimed by RAG in accordance with their reclamation work on the Star Point Mine. Monitoring of these areas is being performed by RAG and information on the reclamation success can be found in their annual report documents.

### **4. Raptor Surveys**

Raptor studies were conducted by DWR in 2002. Information regarding that study is located in the approved permit.

### **5. Water Monitoring Data**

Water monitoring is not required in the approved plan. SCA's operations to remove the refuse pile are not located in or around surface or ground water sources. Storm runoff is controlled and treated in sediment ponds regulated through the UPDES Storm Water Permit discussed above. Extensive water monitoring in the general vicinity is performed by RAG.



## **6. Geological / Geophysical Data**

No periodic Geological / Geophysical monitoring is required in the approved plan. The data included as resource information in the plan is considered adequate for the operations of SCA. In the event that the operations of SCA change dramatically such that additional geologic or geophysical data becomes necessary, additional analysis will be performed at that time.

## **7. Engineering Data**

### **a. Refuse Excavation**

The mining and reclamation permit for the waste coal pile at Star Point was transferred in November 2003 from RAG to SCA. Coal materials from that pile were excavated and hauled to the SCA power plant throughout the year. The total tonnage below reflects the fourth quarter of 2003 only.

SCA - Star Point Waste Fuel: 67,342 Tons

### **b. Proposed Disposal Area**

No construction of the proposed Disposal Area occurred in 2003.

Inspections of the spoils areas are conducted on a quarterly basis. Reports from these site visits are submitted to the Division throughout the year and have been included in this report with the certified reports. Photographs documenting the spoils pile have been included with the corresponding report.

## **8. Soils Monitoring Data**

No periodic soil monitoring is required by the approved plan. The approved subsoil storage pile reserved for reclamation activities have previously undergone soils studies from which the data is included in Chapter 2 of the Permit.

In the event that SCA determines it necessary to utilize soils from other sources for reclamation, the proper analysis will be performed at that time.

## **9. Other Data**

No additional periodic data is required in the approved plan.



## V. LEGAL, FINANCIAL, COMPLIANCE & RELATED INFORMATION

Sunnyside Cogeneration Associates is a joint venture between Sunnyside Holdings I, Inc. and Sunnyside II, L.P. **Appendix C** includes copies of the Certificates of Existence for Sunnyside Cogeneration Associates, Sunnyside Holdings I, Inc. and Sunnyside II, L.P. The Utah Department of Commerce, Division of Corporations and Commercial Code issues these certificates. They demonstrate that the entities are in good standing with the State of Utah.



## VI. MINE MAPS

The mine map included in **Appendix D** of this report provides an update to the surface configuration of the refuse area being excavated. This refuse is then utilized as fuel for the Sunnyside Cogeneration Facility. The aerial survey used to generate contours of the site was performed in 2000. The mining areas, which were active since the photography was taken have been identified on the map. Estimated contour adjustments have been drawn across the pile based on calculated quantities of material removed. A recent photograph of the active mining area has been added to the map to show current conditions.



# **APPENDIX A**

## **CERTIFIED REPORTS**



**APPENDIX A  
CERTIFIED REPORTS**

**FOURTH QUARTER INSPECTION**

**IMPOUNDMENTS, REFUSE PILE AND DISPOSAL  
AREA**

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 006	
Permit Number	C/007/042	Report Date	1/6/04
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 006	
	Impoundment Number	006	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Fourth Quarter Inspection 2003	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 2.6 acre-feet</p> <p>Sediment Storage Capacity = 0.76 acre-feet</p> <p>Pond bottom elevation = 7132.7</p> <p>60% sediment elevation = 7138.8</p> <p>Maximum Sediment Depth Elevation = 7140.7</p> <p>Existing Sediment Elevation = 7134 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7147.2</p>		

**4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good, no structural or hazardous conditions exist.

**5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. Pond was essentially empty. No structure or stability problems observed.

**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:

*J Carlson*

Date: 1/6/04

**CERTIFIED REPORT**

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

**COMMENTS AND OTHER INFORMATION**

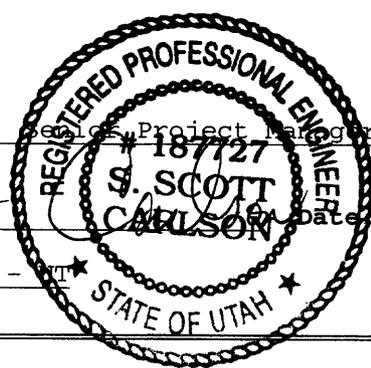
**Certification Statement:**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, P.E. Registered Professional Engineer

Signature: *S. Scott Carlson* 187727 **S. SCOTT CARLSON** Project Manager Date: 1/6/04

P.E. Number & State: 187727 - UT





Sediment Pond # 006

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
Permit Number	C/007/042	Report Date	1/6/04
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 005	
	Impoundment Number	005	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Fourth Quarter Inspection 2003		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 6.96 acre-feet</p> <p>Sediment Storage Capacity = 2.42 acre-feet            Pond bottom elevation = 7387.3            60% sediment elevation = 7393            Maximum Sediment Depth Elevation = 7394.9            Existing Sediment Elevation = 7388 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 7401.3</p>		

**4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

**5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Pond was essentially empty.

No structure or stability problems observed.

**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: \_\_\_\_\_



Date: 1/6/04

**CERTIFIED REPORT**

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

**COMMENTS AND OTHER INFORMATION**

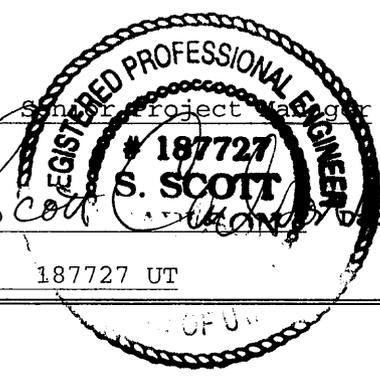
None

<p><b>Certification Statement:</b></p>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>
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By: S. Scott Carlson Senior Project Manager  
 (Full Name and Title)

Signature: *S. Scott Carlson* Date: 1/6/04

P.E. Number & State: 187727 UT



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 009	
Permit Number	C/007/042	Report Date	1/6/04
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Sediment Pond 009	
	Impoundment Number	009	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	December 12, 2003		
Inspected By	Scott Carlson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Fourth Quarter Inspection 2003		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Total Pond volume = 7.4 acre-feet</p> <p>Sediment Storage Capacity = 2.02 acre-feet</p> <p>Pond bottom elevation = 7435.0</p> <p>60% sediment elevation = 7437.7</p> <p>Maximum Sediment Depth Elevation = 7439.3</p> <p>Existing Sediment Elevation = 7436 +/-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Emergency Spillway Elevation = 7446.5</p> <p>Primary Drain Elevation = 7445.5</p>		

**4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

No discharge, Pond was essentially empty. inlet/outlet conditions are good,  
No structural or hazardous conditions exist.

**5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes, no structure or stability problems observed.

**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: *J Carlson*

Date: 1/6/04

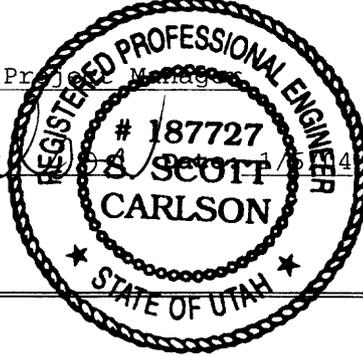
**CERTIFIED REPORT**

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

**COMMENTS AND OTHER INFORMATION**

None

<b>Certification Statement:</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <p>By: <u>S. Scott Carlson, P.E. Senior Professional Engineer</u></p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number &amp; State: <u>187727 - UT</u></p>
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Sediment Pond 009 (12/12/03)

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	C/007/042	Report Date 1/6/04
Mine Name	STAR POINT WASTE FUEL	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	File Name:	Coarse Refuse Pile
	File Number	N/A
	MSHA ID Number	1211-UT-09-02334-01
Inspection Date	December 12, 2003	
Inspected By	Scott Carlson	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Fourth Quarter Inspection 2003	
	Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
<b>Field Evaluation</b>		
1.	Foundation preparation, including the removal of all organic material and topsoil.	
	N/A	
2.	Placement of underdrains and protective filter systems.	
	N/A	
3.	Installation of final surface drainage systems.	
	N/A	
4.	Placement and compaction of fill materials.	
	N/A	
	Removal of Refuse Material Only	

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

No smokers visible

Many small rills exist on the out slopes of the refuse pile. These have reportedly been there for some time and are typical for exposed refuse materials. They do not appear to pose a structural hazard. Runoff from the top surface is not directed to the out slope, therefore it is expected that re-grading would simply start new rills. Sediment from this erosion reports to existing sediment ponds. In time, SCA's operations to remove the pile will eliminate the problem.

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

Waste Coal Removal

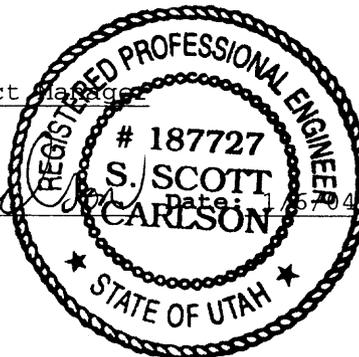
**Certification Statement**

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson - Senior Project Manager  
(Full Name and Title)

Signature: *S. Scott Carlson*

P.E. Number & State: 187727 - UT





COARSE REFUSE PILE

INSPECTION AND CERTIFIED REPORT OF EXCESS SPOIL PILE OR REFUSE PILE		Disposal Area
<b>Permit Number</b>	C/007/042	<b>Report Date</b> 1/6/04
<b>Mine Name</b>	STAR POINT WASTE FUEL	
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES	
<b>Excess Spoil Pile or Refuse Pile Identification</b>	<b>Pile Name:</b>	Disposal Area
	<b>Pile Number</b>	N/A
	<b>MSHA ID Number</b>	N/A
<b>Inspection Date</b>	December 12, 2003	
<b>Inspected By</b>	Scott Carlson	
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Fourth Quarter Inspection 2003	
	Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
<b>Field Evaluation</b>		
1.	Foundation preparation, including the removal of all organic material and topsoil.	
	The site selected for the new disposal area is the old slurry ponds. Any topsoil recovered would have been addressed prior to the pond construction.	
2.	Placement of underdrains and protective filter systems.	
	N/A	
3.	Installation of final surface drainage systems.	
	N/A	
4.	Placement and compaction of fill materials.	
	Did not receive disposal materials during this Quarter.	

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

None

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

No Construction occurred during this quarter.

**Certification Statement**

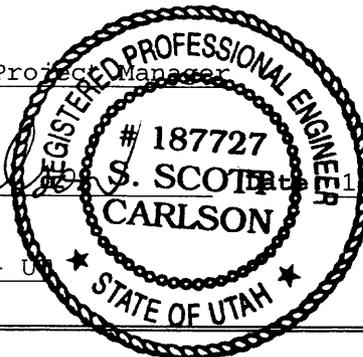
I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson - Senior Project Manager

(Full Name and Title)

Signature: *S. Scott Carlson*

P.E. Number & State: 187727 - U





Site of Proposed DISPOSAL AREA



**APPENDIX C**  
**DEPARTMENT OF COMMERCE**  
**CERTIFICATES OF EXISTENCE**



**Utah Department of Commerce  
Division of Corporations & Commercial Code**

160 East 300 South, 2nd Floor, PO Box 146705  
Salt Lake City, UT 84114-6705  
Service Center: (801) 530-4849  
Toll Free: (877) 526-3994 Utah Residents  
Fax: (801) 530-6438  
Web Site: <http://www.commerce.utah.gov>

03/17/2004  
2113550-018103172004-348408

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## CERTIFICATE OF EXISTENCE

**Registration Number:** 2113550-0181  
**Business Name:** SUNNYSIDE II, L.P.  
**Registered Date:** December 30, 1994  
**Entity Type:** Limited Partnership  
**Current Status:** Good Standing

The Division of Corporations and Commercial Code of the State of Utah, custodian of the records of business registrations, certifies that the business entity on this certificate is authorized to transact business and was duly registered under the laws of the State of Utah. The Division also certifies that this entity has paid all fees and penalties owed to this state; its most recent annual report has been filed by the Division; and, that Articles of Dissolution have not been filed.



*Kathy Berg*

Kathy Berg  
Director  
Division of Corporations and Commercial Code



Utah Department of Commerce  
Division of Corporations & Commercial Code  
160 East 300 South, 2nd Floor, PO Box 146705  
Salt Lake City, UT 84114-6705  
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03/17/2004  
4911242-015003172004-348409

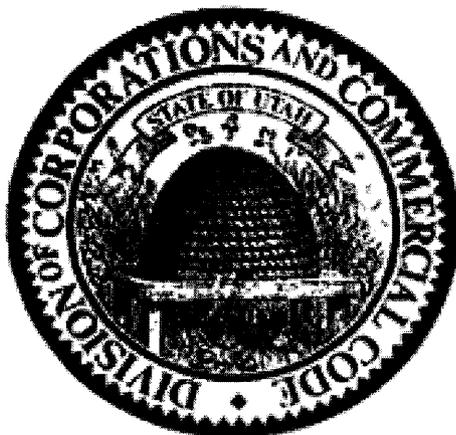
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## CERTIFICATE OF EXISTENCE

**Registration Number:** 4911242-0150  
**Business Name:** SUNNYSIDE COGENERATION ASSOCIATES  
**Registered Date:** April 24, 2001  
**Entity Type:** DBA  
**Current Status:** Good Standing

The Division of Corporations and Commercial Code of the State of Utah, custodian of the records of business registrations, certifies that the business entity on this certificate is authorized to transact business and was duly registered under the laws of the State of Utah. The Division also certifies that this entity has paid all fees and penalties owed to this state; its most recent annual report has been filed by the Division; and, that Articles of Dissolution have not been filed.



Kathy Berg  
Director  
Division of Corporations and Commercial Code



## **APPENDIX D MINE MAP**



## **APPENDIX E**

# **RECLAMATION AGREEMENT**

**RECLAMATION AGREEMENT  
(COAL)**

**State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340**

**Federal**

**CONTENTS:**

Reclamation Agreement

Exhibit "A"  
Bonded Area

Exhibit "B"  
Bonding Agreement  
Surety Bond

Exhibit "C"  
Liability Insurance

Affidavits of Qualification

Power of Attorney

Exhibit "D"  
Stipulation to Revise Reclamation Agreement

Permit Number: C/007/042  
Date Original Permit Issued: New Permit  
Effective Date of Agreement: \_\_\_\_\_

**RECLAMATION AGREEMENT  
STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801  
(801) 538-5340**

**COAL RECLAMATION AGREEMENT**

--ooOOoo--

This **RECLAMATION AGREEMENT** (hereafter referred to as "Agreement") is entered into by Sunnyside Cogeneration Associates (hereafter referred to as the "Permittee") and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (hereafter referred to as the "Division").

For the purposes of this **AGREEMENT** the information provided below, shall constitute forms of definition or are for information regarding the Permittee or its operations.

**"PERMIT":** (Mine Permit No.) C/007/042 (County) Carbon

**"MINE":** (Name of Mine) Starpoint Mine Waste Coal Pile

**"PERMITTEE":** (Company or Name) Sunnyside Cogeneration Associates

(Address) One Power Plant Road, P.O. Box 159, Sunnyside, Utah 84539

**"PERMITTEE'S REGISTERED AGENT":**

(Name) Brian W. Burnett

(Address) 10 East South Temple, Suite 900, Salt Lake City, Utah 84133

(Phone) 801-530-7428

**"DESIGNATED OFFICIAL TO SIGN BONDING INSTRUMENTS AND PERMIT":**

(Name) Greg B. Lawyer and Robert V. Escalante

(Phone) 760-436-8996 and 949-852-0606 Ext. 222

"BOND TYPE": (Form of Bond) Collateral

"BOND AMOUNT": (Bond Amount-Dollars) \$1,254,000.00

(Escalated Year-Dollars) \$1,254,000.00

"BOND NUMBER": Not Applicable

"INSTITUTION": (Bank or Agency) Wells Fargo Bank Northwest, National Association

"POLICY OR ACCOUNT NUMBER": Escrow Account No. 15152700

"LIABILITY INSURANCE": (Exp.) August 1, 2004

(Insurance Company) See attached Certificate of Insurance

"STATE": Utah

"DIVISION": Utah Division of Oil, Gas & Mining

"DIVISION DIRECTOR": Lowell Braxton

**EXHIBITS:**

"BONDED AREA"	Exhibit "A"
"BONDING AGREEMENT"	Exhibit "B"
"LIABILITY INSURANCE"	Exhibit "C"
"STIPULATION TO CHANGE BOND"	Exhibit "D"

**WHEREAS**, the Permittee is ready and willing to file the Bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws under the permit; and

**NOW, THEREFORE**, the Division and the Permittee agree as follows:

1. The provisions of SMCRA, the Act and the Regulations are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Regulations and Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of this Agreement, the Permit (which is based upon the approved Permit Application Package), the Act and the Regulations, including the reclamation of all areas disturbed by surface coal mining and reclamation operations, despite the eventuality that the costs of actual reclamation exceeds the Bond Amount.
3. The Permit Application Package includes a legal description of the Bonded Area, including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the Permit period. For convenience, a copy of the description of the Bonded Area is attached as Exhibit "A", and is incorporated by reference.
4. The Permittee agrees to provide a Bond to the Division in the form and amount acceptable to the Division ensuring the timely performance of the reclamation obligations in the manner and by the standards set forth in this Agreement, the Permit, (which is based upon the Permit Application Package), the Act and the Regulations. The Bond is attached as Exhibit "B" and is incorporated by reference.
5. The Permittee agrees to maintain in full force and effect the Liability Insurance policy submitted as part of the Permit application and which is described in the attached Exhibit "C". The Division shall be listed as an additional insured on this policy.
6. In the event that the Disturbed Area is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the Bond as appropriate in accordance with applicable law. In the event of material damage to the surface lands, or contamination, diminution or interruption of a protected water supply, caused by subsidence from underground coal mining, the Permittee shall increase the bond amount in any amount as required by the Division in accordance with R645-301-525.550.

7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division, and their respective employees and agents, from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's agents or employees failure to abide by the terms and conditions of the approved Permit (which is based upon the approved Permit Application Package), and this Agreement. In the event the Cooperative Agreement is terminated, this paragraph will inure to the benefit of OSM with respect to Federal Lands, and otherwise to the benefit of the Division.
8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Disturbed Area in accordance with this Agreement, the approved Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve a written modification to this Agreement in accordance with applicable law.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the new Bond form meets the requirements of the Act, and the Regulations, but no Bond shall be released until the Division has approved and accepted the replacement Bond.
10. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this Agreement.
11. Any breach of the provisions of this Agreement, the Act, the Regulations, or the Permit (which is based upon the approved Permit Application Package) may, at the discretion of the Division, result in enforcement actions by the Division which include, but are not limited to, an order to cease coal mining and reclamation operations, revocation of the Permittee's Permit and forfeiture of the Bond.
12. In the event of forfeiture of the Bond, the Permittee agrees to be liable for additional costs in excess of the Bond Amount which may be incurred by the Division in order to comply with the Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Any excess monies resulting from the forfeiture of the Bond, upon compliance with this Agreement, shall be refunded as directed by the Permittee or, if a dispute arises, as directed by a court of competent jurisdiction by interpleading the funds subject to the dispute.
13. No delay on the part of the Division in exercising any right, power, or privilege, under the Permit, the Bonding Agreement (Exhibit "B") and/or this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege thereof preclude other or further exercise of any right, power or privilege. The provisions

of this Agreement are severable, and if any provision of this Agreement, or the application of any provision of this Agreement, to any circumstances is held invalid, the application of such provision to other circumstances, and the remainder of this Agreement, shall not be affected thereby.

14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached thereto.

SO AGREED this 14<sup>th</sup> day of October, 2003.

**PERMITTEE:**

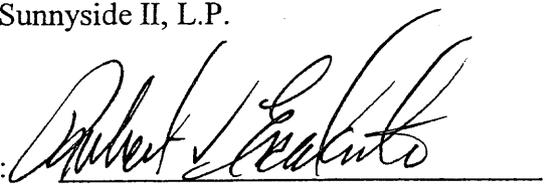
SUNNYSIDE COGENERATION ASSOCIATES,  
a Utah joint venture, composed of:

By: SUNNYSIDE HOLDINGS I, INC.,  
a Delaware corporation, a joint venture partner

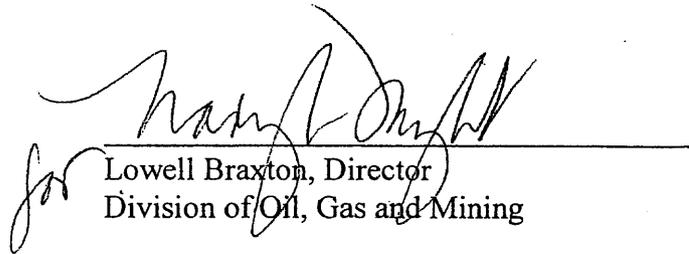
By:   
Name: Greg B. Lawyer  
Title: President

By: SUNNYSIDE II, L.P.,  
a Delaware limited partnership, a joint venture partner

By: SUNNYSIDE II, INC.,  
a Delaware corporation, the general partner  
of Sunnyside II, L.P.

By:   
Name: Robert V. Escalante  
Title: Vice President

STATE OF UTAH:

  
for Lowell Braxton, Director  
Division of Oil, Gas and Mining

**NOTE:** An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.



## **APPENDIX F**

# **MSHA ABANDONMENT OF THE REFUSE PILE**

U. S. Department of Labor

Mine Safety and Health Administration  
P O Box 25367  
Denver, Colorado 80225



JAN 28 2004

Coal Mine Safety and Health  
District 9

Randy J. Scott  
Plant Manager  
Sunnyside Cogeneration Associates  
One Power Plant Road  
Sunnyside, UT 84539

RE: Star Point Refuse Pile  
Mine ID No. 42-02334  
Coarse Refuse Pile  
ID No. 1211-UT-09-02334-01  
Refuse Pile Abandonment

Dear Mr. Scott:

The request for final abandonment of the referenced refuse pile is approved in accordance with 30 CFR 77.215-4. The request for final abandonment was submitted in a letter dated October 14, 2003.

MSHA personnel have inspected the site and reviewed the documentation and have determined that the refuse pile meets the requirements for abandonment which include provisions for major slope stability and the prevention of both burning and the future impoundment of water.

The referenced refuse pile identification number will be removed from the mine file. MSHA inspection and reporting requirements no longer apply to the referenced structure.

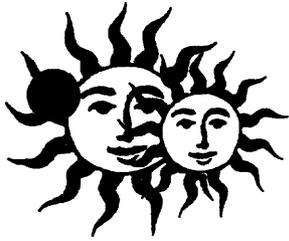
If you have any questions regarding this approval, please contact Billy Owens at 303-231-5590 or Ronald Gehrke at 303-231-5587.

Sincerely,

A handwritten signature in cursive script that reads "Allyn C. Davis".

Allyn C. Davis  
District Manager

Enclosure

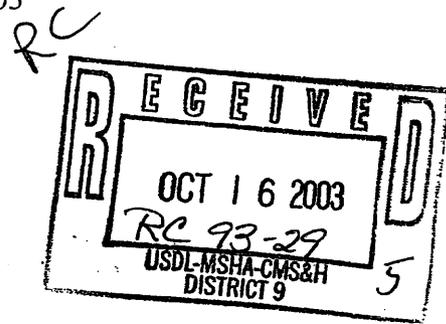


## Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

1500  
10/17/03

October 14, 2003



Allyn C. Davis  
District Manager  
Mine Safety & Health Administration  
P.O.Box 25367 D.F.C.  
Denver, Co. 80225

RE: Request for Abandonment of the Star Point Refuse Pile  
Sunnyside Cogeneration Associates (SCA)  
Star Point Refuse Pile, Mine I.D. Number 42-02334  
Coarse Refuse Pile, Number 1211-UT-09-02334-01

Dear Mr. Davis

SCA would like to petition for an abandonment classification of its Star Point Refuse Pile (#1211-UT-09-02334-01) located in Sage Brush Canyon 23 miles Southwest of Price, Utah. CFR 30 Part 77.215-4 requires, for a refuse pile abandonment classification, that provisions have been met to prevent burning and future impoundment of water, and provide for major slope stability. SCA believes that the Star Point Refuse Pile meets the requirements for abandonment and poses No safety hazard to the general public, due to the location of the refuse pile, the way in which the refuse pile was constructed, and the way in which SCA is now removing material from the refuse pile.

SCA acquired the Star Point Refuse Pile in year 2002, as a source of fuel for its power generation facility located in Sunnyside, Utah. The Star Point material will be loaded into haulage trucks, using a front-end loader, and transported directly to the SCA facility.

Historical records, to date, show no history of fires/burning of the Star Point Refuse pile. The coal refuse was placed in two-foot lifts and compacted when the pile was being constructed. This method of placement and compaction limits the potential for burning. Also, SCA will be removing material on an ongoing basis, which also helps limit the potential for burning. If burning should occur, we will be onsite to immediately extinguish it.

The Star Point Refuse Pile does not impound water. The top of the pile slopes from North to South. Culverts on the South side of the pile, collecting all precipitation, report to a sedimentation pond at the base of the pile. SCA, while removing material, will maintain positive drainage to eliminate impoundment.

Major slope stability was achieved by placing and compacting the material in two-foot lifts, while maintaining an approximate slope of 3H:1V. Also, historical data indicates no surface water or shallow subsurface water within the footprint of the refuse pile, which if present could have an effect on slope/pile stability. Additionally, SCA will be continually removing material; lowering the overall height of the refuse pile and lessening any potential for slope instability.

Again, SCA believes the Star Point Refuse Pile meets the requirements of CFR 30 part 77.215-4, and would like to request, from the Coal Mine Health and Safety District Manager, an abandonment classification. If you have any questions or if further clarification is needed please contact me or Rusty Netz at (435) 888-4476.

Sincerely,

Agent For  
Sunnyside Cogeneration Associates

  
Randy J. Scott  
Plant Manager

c.c. Ted E. Farmer/Supervisory CMS&H Inspector-Price  
Rusty Netz, COSI  
Plant File