C/007/042 Incoming

Sunnyside Cogeneration Associates

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

October 22, 2014

Daron Haddock
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: 3rd Quarter 2014 Inspection Report
Star Point Refuse Pile C/007/042

Dear Daron:

Please find enclosed a copy of the Third Quarter 2014 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area.

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

Thank You,

Gerald Hascall
Agent For
Sunnyside Cogeneration Associates

c.c. Rusty Netz
Plant File

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number:	C/007/042	Inspection Date:	Sept 25, 2014
Mine Name:	Star Point Waste Fuel		Third Quarter 2014
Mine Operator (Permittee):	Sunnyside Cogeneration Associates	Inspector:	Rusty Netz
MSHA ID Number:	N/A	Signature:	Rusty Netz
Impoundment Name:	**Sediment Pond #005**		
UPDES Permit Number:	UTG040025		

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 6.96 Acre-feet
Pond bottom elevation = 7387.3
100% Sediment Storage Volume = 2.42 acre-feet at Elevation 7394.9
60% sediment Storage Volume = 1.45 acre feet at Elevation = 7393
Existing Average Sediment Elevation = 7390 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7394.9
Emergency Spillway Elevation = 7401.3

2. 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.

Pond had some water but was not discharging at time of inspection. Storms in late September continued to fill pond and a discharge occurred. Samples were taken. Test results will be included in next quarter report.

Sediment levels were reasonably low.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation 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 recent changes in the geometry of the structure have been observed
Some water was impounded. Sediment level was good.
No other aspects were observed to affect stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 005

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

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 conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

Although a discharge did occur from Pond 5 as a result of multiple storms in late September, it is expected that adequate detention time occurred and the state discharge limitations were not exceeded. Test results will be included with the next quarters report.

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 designs and meets or exceeds 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, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number:	C/007/042	Inspection Date:	Sept 25, 2014
Mine Name:	Star Point Waste Fuel		Third Quarter 2014
Mine Operator (Permittee):	Sunnyside Cogeneration Associates	Inspector:	Rusty Netz
MSHA ID Number:	N/A	Signature:	Rusty Netz
Impoundment Name:	**Sediment Pond #006**		
UPDES Permit Number:	UTG040025		

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 2.6 Acre-feet
Pond bottom elevation = 7132.7
100% Sediment Storage Volume = 0.76 acre-feet at Elevation 7140.7
60% sediment Storage Volume = 0.45 acre feet at Elevation = 7138.8
Existing Average Sediment Elevation = 7138 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7140.7
Emergency Spillway Elevation = 7147.2

2. 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.

Pond had some water. No samples were taken
Sediment levels were reasonable. Pond did not require decanting.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation 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 recent changes in the geometry of the structure have been observed
Some water was impounded
Sediment level was reasonable
No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 006

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

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 conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

The upstream riprap lined ditch which conveys undisturbed area runoff around Pond 006 incurred a breach which routed this runoff into Pond 006. This water was all contained in Pond 006, and the ditch is being repaired.

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 designs and meets or exceeds 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, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: N/A
Impoundment Name: **Sediment Pond #009**
UPDES Permit Number: UTG040025

Inspection Date: Sept 25, 2014
Third Quarter 2014
Inspector: Rusty Netz
Signature: Rusty netz

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 7.4 Acre-feet
Pond bottom elevation = 7435.0
100% Sediment Storage Volume = 2.02 acre-feet at Elevation 7439.3
60% sediment Storage Volume = 1.21 acre feet at Elevation = 7437.7
Existing Average Sediment Elevation = 7436 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7439.8
Primary Spillway Elevation = 7445.5
Emergency Spillway Elevation = 7446.5

2. 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.

Pond had some water. No samples were taken. Pond did not require decanting.
Sediment levels were reasonable.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation 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 recent changes in the geometry of the structure have been observed
Some water was impounded Sediment level was good.
No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 009

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

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 conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

Recent storms caused some culverts within the Pond 009 drainage area to accumulate sediment. During an inspection, UDOGM issued NOV 12148. SCA completed an internal evaluation of culvert needs, submitted a permit amendment, cleaned ditches and removed unneeded culverts in the area. All diversions and culverts in this drainage 009 area functioned well during the late September storms experienced.

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 designs and meets or exceeds 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, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date

QUARTERLY INSPECTION FORM – REFUSE PILE

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: Abandoned by MSHA Jan 2004
Facility Name: **Coarse Refuse Pile**

Inspection Date: Sept 25, 2014
Third Quarter 2014
Inspector: Rusty Netz
Signature: Rusty Netz

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes): **Refuse material is actively being excavated and removed from locations across the top of the pile**
2. Lift Height / Thickness Avg **15** Maximum **25** Elevation of Active Benches: **approximately 7460-7490**
3. Vertical angle of outslope(s) / Location(s) where measured **max 2:1 North, East and South faces**
4. Current estimated volume: **approx 3.0-3.3 Million tons** Volume removed during year: **2013: approx. 356,486 tons**
5. Describe foundation preparation, (including the removal of vegetation, stumps, topsoil, and all organic material): **NA**
6. Describe Placement and compaction of fill materials (including an explanation of how compaction is confirmed): **N/A - Activities occurring at this time are associated with removal of refuse material**
7. Is there any evidence of fires or burning on the structure? (if Yes, specify extent, location , and abatement / extinguishment of such fires): **No evidence of fires observed**
8. Describe placement of underdrains and protective filter systems, and final surface drainage systems (report any seepage, including location, color, flow): **No underdrains exist. Current surface drainage is in place. No seepage is visible**
9. Describe any appearances of instability, structural weakness, and other hazardous conditions **No aspects of the Fill structure were observed that could affect its stability or functionality or which indicated hazardous conditions**
10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection)
    a. Are there any cracks or scarps in crest? **NO** **none observed**
    b. Is there any detectable sloughing or bulging? **NO** **none observed**
    c. Do slope erosion problems exist? **NO** **some old erosion gullies exist on the outer slopes, but currently appear stable**
    d. Cracks or scarps in slope? **NO** **none observed**
    e. Surface movements? (valley bottom, hillsides) **NO** **none observed**
    f. Erosion of Toe? **NO** **none observed**
    g. Water impounded by structure? **NO** **none observed**
    h. Are diversion ditches stable? **YES** **appears reasonable**
    i. Is drainage positive? **YES** **surface runoff flows to culverts & ditches. During the quarter significant storms occurred and caused erosion in some locations. Conditions have been repaired.**
    j. Could failure of structure create an impoundment (provide description)? **No surface water flows exist in the vicinity**
    k. Are design standards established within the mining and reclamation plan for the disposal facility being met? **Yes**
    l. Proctor Determination: **none required**

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 the approved design and meets or exceeds 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.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

REGISTERED PROFESSIONAL ENGINEER # 187727 S. SCOTT CARLSON 10/14 STATE OF UTAH

Affix Signature, Stamp and Date

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: NA
Facility Name: **Disposal Area**

Inspection Date: Sept 25, 2014
Third Quarter 2014
Inspector: Rusty Netz
Signature: Rusty Netz

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes): **No material was placed in this disposal area during the quarter**
2. Lift Height / Thickness Avg **40-60 ft** Maximum **60 ft** Elevation of Active Benches: **approximately 7480**
3. Vertical angle of outslope(s) / Location(s) where measured **max 4:1**
4. Total storage capacity: **145K cuyd** Remaining storage capacity **estimated 140K cuyd** Volume placed during year: **None**
5. Describe foundation preparation, (including the removal of vegetation, stumps, topsoil, and all organic material): **Organic material is removed as needed. No topsoil existed since this was a previously disturbed location**
6. Describe Placement and compaction of fill materials (including an explanation of how compaction is confirmed): **Material is generally granular by nature so it is placed, spread by dozer and compacted by wheel rolling**
7. Is there any evidence of fires or burning on the structure? (if Yes, specify extent, location , and abatement / extinguishment of such fires): **No evidence of fires observed**
8. Describe placement of underdrains and protective filter systems, and final surface drainage systems (report any seepage, including location, color, flow): **No underdrains exist. Surface drainage flows to adjacent ditches and to Sediment Pond #009. No seepage is visible**
9. Describe any appearances of instability, structural weakness, and other hazardous conditions **No aspects of the Fill structure were observed that could affect its stability or functionality or which indicated hazardous conditions**
10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection)
    a. Are there any cracks or scarps in crest? **NO** **none observed**
    b. Is there any detectable sloughing or bulging? **NO** **none observed**
    c. Do slope erosion problems exist? **NO** **erosion conditions are minimal**
    d. Cracks or scarps in slope? **NO** **none observed**
    e. Surface movements? (valley bottom, hillsides) **NO** **none observed**
    f. Erosion of Toe? **NO** **none observed**
    g. Water impounded by structure? **NO** **none observed**
    h. Are diversion ditches stable? **YES** **appears reasonable**
    i. Is drainage positive? **YES** **surface runoff flows to collection ditches**
    Some culverts in the vicinity of this disposal area were removed during the quarter to reduce maintenance needs and improve storm runoff flow capability.
    j. Could failure of structure create an impoundment (provide description)? **No surface water flows exist in the vicinity**
    k. Are design standards established within the mining and reclamation plan for the disposal facility being met? **Yes**
    l. Proctor Determination: **none required**
11. Provide copies of sample analysis for material placed in the fill. **No new material has been placed in this disposal area for several years.**

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 the approved design and meets or exceeds 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 this structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH
Affix Signature, Stamp and Date

REGISTERED PROFESSIONAL ENGINEER # 187727 S. SCOTT CARLSON STATE OF UTAH 10/14

Citations Home Page

Citation for Non-Compliance
Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 12148

Permit Number: C0070042

Date Issued: 08/18/2014

☑ NOTICE OF VIOLATION ☐ CESSATION ORDER (CO) ☐ FAILURE TO ABATE CO

Permittee Name: SUNNYSIDE COGENERATION ASSOCIATES	**Inspector Number and ID:**	49	KHOUSKEE
Mine Name: STAR POINT REFUSE	**Date and Time of Inspection:**	08/13/2014	11:00 am
Certified Return Receipt Number: 7008 0150 0002 0896 3720	**Date and Time of Service:**	08/18/2014	1:00 pm

Nature of condition, practice, or violation:
Failure to maintain Diversions.

RECEIVED
AUG 20 2014
cc: Rusty

Provisions of Act, regulations, or permit violated:
R645-301-732.300

☐ **This order requires Cessation of ALL mining activities.** (Check box if appropriate.)

- ☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.
- ☐ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.
- ☐ Permittee is/has been conducting mining activities without a Permit.
- ☐ Permittee has failed to abate Violation(s) included in ☐ Notice of Violation or ☐ Cessation Order within time for abatement originally fixed or subsequently extended.

☐ **This order requires Cessation of PORTION(S) of mining activities.**

Mining activities to be ceased immediately: ☐ Yes ☐ No	Abatement Times (if applicable).
	see actions required.

Action(s) required: ☑ Yes ☐ No

Maintenance work on Diversions needs to be completed by September 17, 2014.

RUSTY NETZ	KARL HOUSKEEPER
(Print) Permittee Representative	(Print) DOGM Representative
mailed certified/Return Receipt	Karl K. Houskeeper 8/18/14
Permittee Representative's Signature - Date 8/18/14	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

Original – DOGM Files Copy – Permittee Form DOGM NOV/CO Revised – August, 2006

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOGM) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGM.

1. **PENALTIES.**

Proposed assessment. DOGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGM to consider regarding the cessation order and proposed fine, please submit that to DOGM within ***15 days of the date this notice or order is served on you or your agent.*** Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to $5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of $750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. **INFORMAL PUBLIC HEARING.**

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. **FORMAL REVIEW AND TEMPORARY RELIEF.**

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

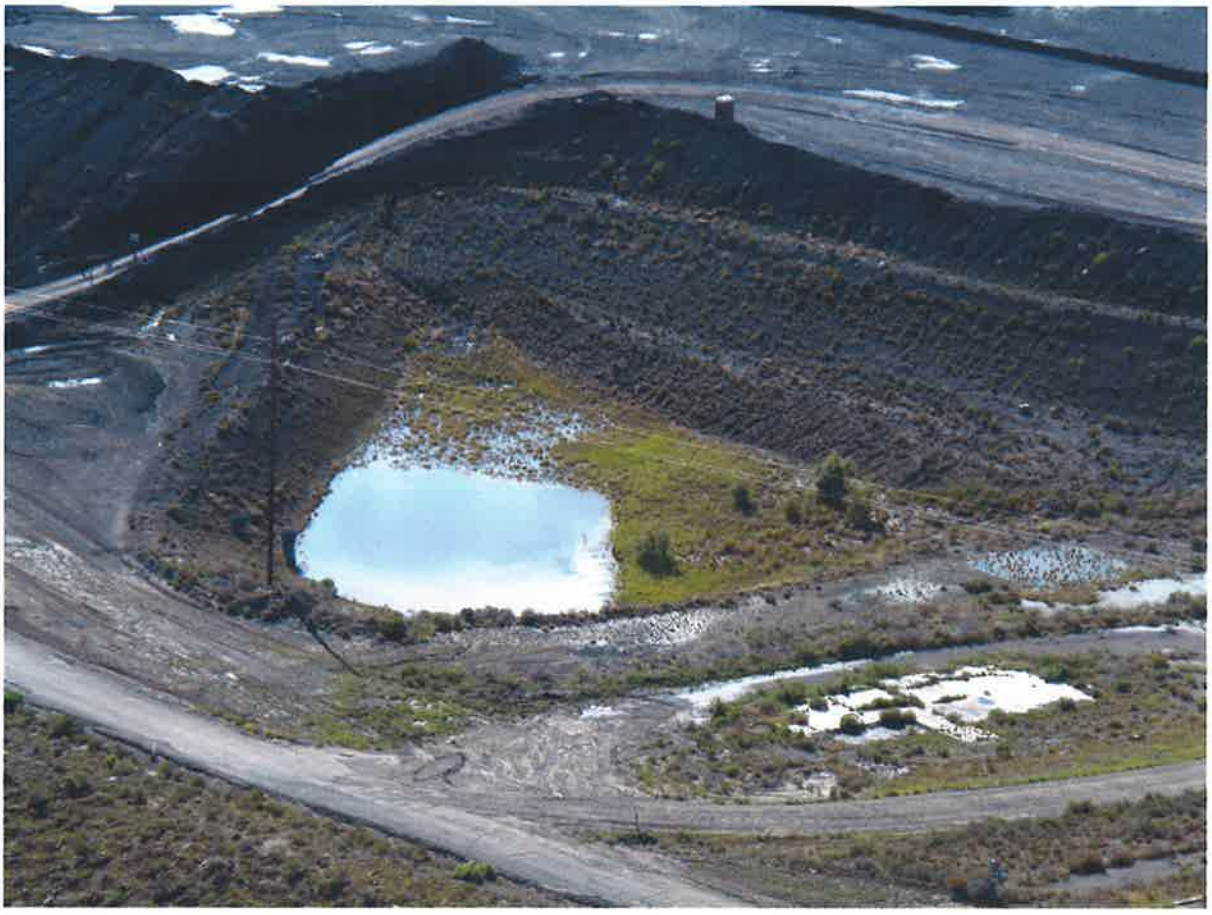
If applying for a formal board hearing, you may submit with your petition for review a request for ***"temporary relief"*** from this notice. Procedures for obtaining a formal board hearing are contained in the Board's Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. **EFFECT ON PERMIT.**

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

SCA- Star Point Refuse Pile and surrounding area Aug 15, 2014



Sediment Pond 009 Aug 15, 2014

Sediment Pond 005 Aug 15, 2014