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

September 21, 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, Star Point Refuse, C/007/0042, Task #5693

Dear Mr. Hascall:

Enclosed are two original renewed permanent program mining permits for the Star Point Refuse with the State's Decision Document. The Star Point 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
Star Point Waste Fuel Mine
C/007/0042
Carbon County, Utah

September 21, 2018

CONTENTS

* Administrative Overview
* Permitting Chronology
* Findings
* Permit
* Affidavit of Publication
* AVS Recommendation

ADMINISTRATIVE OVERVIEW

Sunnyside Cogeneration Associates
Star Point Waste Fuel Mine
C/007/0042
Carbon County, Utah

September 21, 2018

BACKGROUND

The Division received the original permit application for the Star Point Waste Fuel Mine on April 1, 2002. The permitting process was completed and a new permit for mining the waste pile was issued on November 14, 2003.

Construction of the refuse pile began in 1970 with wet processing of Run of Mine (R.O.M.) coal from the Wattis, Third and Hiawatha seams from the Star Point Mine operations. Material was continually added to the pile until mine closure in 1997. The quality of the refuse from the mine site changed over time as improvements were made to the processing of the R.O.M. coal. The most deeply buried refuse has greater btu/lb and is finer than the material above (Exhibit 624.210a, Reserve Assessment of Star Point Coal Refuse Site).

Sunnyside Cogeneration Associates continues to mine waste materials from the refuse pile and haul it to their cogeneration facility at Sunnyside where it is burned as a fuel source for electrical generation.

ANALYSIS

The permit renewal application was received at least 120 days prior to permit renewal. The renewal encompasses the same area and mine plan as currently approved in the 2013 permit. Sunnyside Cogeneration Associates continues to operate the site in compliance with all of the regulatory requirements. All notices were published as required and other agencies were notified of the renewal and asked for any comments. Only one comment was received during the comment period. It was received on August 29, 2018 from an individual, Craig Evan Royce. His comment letter was mostly informational in content and provided maps of the big game habitat of the area. It also contained some general discussion of the effects of PCB's on raptors and wildlife as well as effects of burning Lime at the Co-Gen plant. His comments did not oppose the continued mining operation.

RECOMMENDATION

It is recommended that approval for the renewal of the permit for Sunnyside Cogeneration Associates for the Star Point Waste Fuel Mine be approved.

PERMITTING CHRONOLOGY

Sunnyside Cogeneration Associates
Star Point Waste Fuel Mine
C/007/0042
Carbon County, Utah

September 21, 2018

Jun 12, 2018	Sunnyside Cogeneration Associates submitted the permit renewal application.
July 6, 2018	Permit renewal application determined administratively complete.
July 6, 2018	Letter from Division to federal, state and local agencies to notify them about the permit renewal.
July 10, 17, 24, and 31, 2018	Publication notice for permit renewal published in the Sun Advocate.
August 29, 2018	Comment received from Craig Evan Royce. No other comments were received.
September 21, 2018	Approval of Permit renewed effective November 14, 2018.

PERMIT RENEWAL FINDINGS

Sunnyside Cogeneration Associates
Star Point Waste Fuel Mine
C/007/0042
Carbon County, Utah

September 21, 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 permittee has provided evidence of maintaining liability insurance (Arch Insurance Company #EPO101140501) (R645-303-233.140).

6. The permittee has posted a reclamation performance bond in the form of collateral (treasury securities held in escrow at Wells Fargo Bank) in the required amount of $1,254,000. A Reclamation Agreement was signed and submitted on November 14, 2003 and remains in effect. This instrument will remain in full effect for the additional permit period. No additional surface disturbances are approved with this renewal (R645-303-233.150).

Aaron R. Haddock
Permit Supervisor

Associate Director of Mining

John R. Baza
Director

FEDERAL **PERMIT** **November 14, 2018**

C/007/0042

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

This permit, C/007/0042, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Sunnyside Cogeneration Associates
P.O. Box 159
Sunnyside, Utah 84539
(435)888-4476

for the Star Point Waste Fuel Mine. A performance bond is filed with the DOGM in the amount of $1,254,000 in the form of treasury securities and is held in escrow at Wells Fargo Bank. A reclamation agreement is also filed which makes the bond payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining in the event of forfeiture. DOGM 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 following described lands within the permit area at the Star Point Waste Fuel Mine situated in the State of Utah, Carbon County, and located:

Township 15 South, Range 8, East, SLB&M

Section 10: A portion of S½ of S½
A portion of NE¼ of SW¼
A portion of W½ of NW¼ of SE¼
Section 15: N1/2 and SE1/4 of NE1/4 of NW1/4 of NW1/4, N1/2 of NE1/4 of NW1/4, N1/2 of N1/2 of S1/2 of NE1/4 of NW1/4, N1/2 and SW1/4 of NW1/4 of NW1/4 of NE1/4

This legal description is for the permit area of the Star Point Waste Fuel Mine and is more completely described on map 111.100a of the approved Mining and Reclamation Plan. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to all 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 November 14, 2023.

Sec. 5: **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. 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.

Sec. 6: **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, 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, R645-400-110, 30 CFR 842.13 and R645-400-220; and,

B. Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7: **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8: **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

A. Any accelerated monitoring to determine the nature and extent 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: **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 DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec.10: **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec.11: **RECLAMATION PAYMENT** – The permittee shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 12 **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec.13: **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.14: **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec.15: **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 DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 16: **DISPOSAL OF POLLUTANTS** – The permittee shall dispose of solids, sludge filter backwash or pollutants in the course of treatment or control of waters or emission 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.17: **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec.18: **SPECIAL CONDITIONS** – There are special conditions associated with this permitting action as described 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 DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____

Date: 9/24/18

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

_____
Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

SPECIAL CONDITIONS

1) Sunnyside Cogeneration Associates must submit water quality data for the Star Point Waste Fuel Refuse in an electronic format through the Electronic Data Input web site, http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Matt Ward, on oath, say that I am the Publisher of the Carbon County 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 4 (Four) consecutive issues, and on the Utah legals.com webwsite; the first publication was on the 10th day of July, 2018, and that the last publication of such notice was in the issue of such newspaper dated the 31st day of July, 2018.

Matt Ward – Publisher

Subscribed and sworn to before me this 31st day of July 2018.

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

Publication fee, $ 470.40

LINDA THAYN
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 680835
COMM. EXP. 01-10-2019

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/007/042. Approval of this application will allow Sunnyside Cogeneration Associates to continue to operate the Star Point Waste Fuel 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 153 acres located at Wattis, Utah. The property is located within lands shown on USGS 7.5 minute "Wattis" Quadrangle map generally described as:

W ½ of NW ¼ of SE ¼ Section 10, T 15 S, R 8 E, SLB&M
S ½ of S ½ Section 10, T 15 S, R 8 E, SLB&M
NE ¼ of SW ¼ Section 10, T 15 S, R 8 E, SLB&M
NE ¼ of NW ¼ of NW ¼ Section 15, T 15 S, R 8 E, SLB&M
N ½ of NE ¼ of NW ¼ Section 15, T 15 S, R 8 E, SLB&M
N ½ of N ½ of S ½ of NE ¼ of NW ¼ Section 15, T 15 S, R 8 E, SLB&M
NW ¼ of NW ¼ of NE ¼ Section 15, T 15 S, R 8 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 the Sun Advocate July 10, 17, 24 and 31, 2018.

September 18, 2018

TO: Internal File

FROM: Daron R. Haddock, Coal Program Manager

RE: Compliance Review for Section 510 (c) Findings

As of the writing of this memo, there are no NOVS or COs 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).

O:\007042.SWF\PERMIT\2018\510C.DOC

Application Evaluation

There were no violations retrieved by the system

Application Number:	C0070042 SEQ:3
Applicant Name:	128991 Sunnyside Cogeneration Associates
Date of Request:	9/18/2018 11:17:52 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.

Violation Type	Violation Number	Violation Entities	Permit Number	Permitted State	Violation Status	Violation Date

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