



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

Partial: XXX Complete: Exploration:
Inspection Date & Time: 9/4/96 / 9:00a.m.-2:00p.m.
Date of Last Inspection: 8/1/96

Mine Name: Savage Coal Terminal County: Carbon Permit Number: ACT/007/022
Permittee and/or Operator's Name: Savage Industries, Inc.
Business Address: P.O. Box 587, Wellington, Utah 84542
Type of Mining Activity: Underground Surface Prep. Plant XXX Other
Company Official(s): Boyd Rhodes, Dan Guy (Consultant)
State Officials(s): Bill Malencik Federal Official(s): None
Weather Conditions: Clear, 80's
Existing Acreage: Permitted-160 Disturbed-122 Regraded- Seeded- Bonded-122
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows list various permit conditions such as PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; etc.



INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/022

DATE OF INSPECTION: 9/4/96

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A partial inspection was conducted on the Savage Coal Terminal.

Details on the environmental control measures evaluated during the inspection are highlighted on page 1 and additional comments are included on succeeding pages of this report.

Alleged Compliance Issue

An undisturbed permitted area was disturbed. The disturbance, as I was informed, was performed by a contractor employed by U. S. West Communications. The approximate size of the disturbed area, as paced off by the undersigned, was about 400' by 20'. The vegetation from the aforesaid area was removed. Photographs were taken of the disturbed area by the undersigned. Vegetation was removed in site preparation for digging a trench to bury a telephone line to the new COVOL building.

Discussed the matter with Boyd Rhodes, Savage Plant Manager. Also with Ronald Sherbak, Greystone Environmental Technologies, Inc., who was performing work at the COVOL site.

One of the MRP documented easements was granted to Mt. States Telephone and Telegraph Company. The easement involved the W $\frac{1}{2}$ SW $\frac{1}{4}$, Section 11, TWP 15.S.R.10., E, SLBM. Here are my understandings:

- (1) Was the disturbance incident to a DOGM "mining" activity? No.
- (2) Was the disturbance caused by a third party without any qualified surface estate rights? No, this is based on the assumption that U.S. West Communication is the successor to rights granted to Mt. States Telephone and Telegraph by Swisher Coal Company. Further, Savage Industries, Inc., now controls the surface estate including title encumbrances granted by their predecessors.
- (3) Was the executed easement document available for review at the office (Savage)? No, however, was informed that such a document was on file at the Carbon County Courthouse.
- (4) Has the Division issued violations to DOGM permittees where the disturbance was caused by a third party with or without qualified rights? Yes.

OTHER

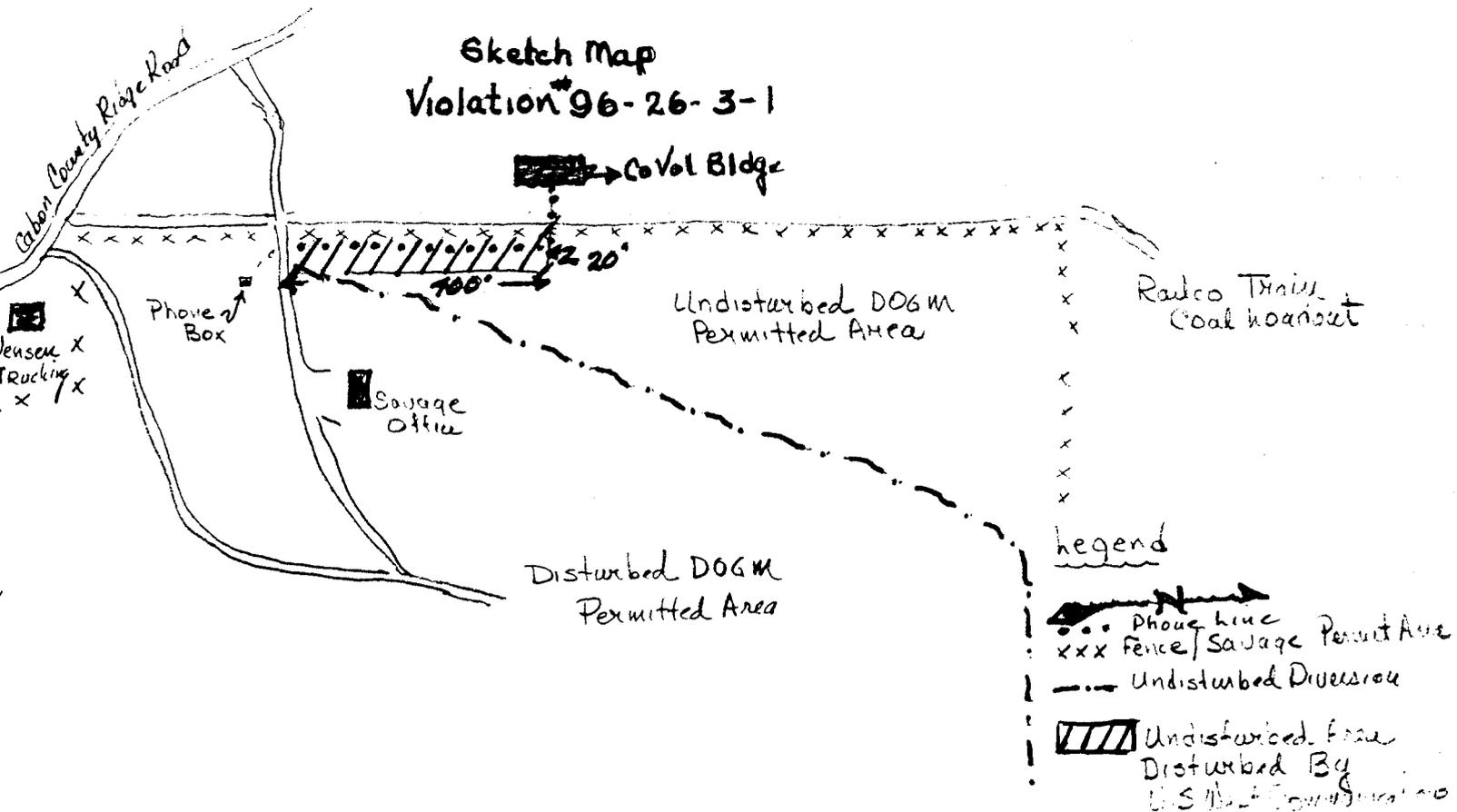
In view of the information in my possession, advised the permittee of a potential violation at the time of the inspection. The violation was served on September 6, 1996.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/022

DATE OF INSPECTION: 9/4/96

(Comments are Numbered to Correspond with Topics Listed Above)



NOTE Table 4-1 of the Mining and Reclamation Plan was reviewed prior to issuing the violation. Table 4-1 of the MRP contains language on utility easements executed by Beaver Creek Coal Company.

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

Copy of this Report:

Mailed to: Boyd Rhodes (Savage Industries) Marcia Petta (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: October 3, 1996

Inspector's Signature: Wm. J. Malencik #26
Wm. J. Malencik 10/3/96