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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

INSPECTION REPORT

Partial:_ Complete: XXX Exploration:_
Inspection Date & Time: 4/9/99 / 10:00a.m.-3:00p.m.
Date of Last Inspection: 3/9/99

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
State Officials(s): Bill Malencik Federal Official(s): None
Weather Conditions: Clear, 60's, Dry, No Recent Moisture
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.

		EVALUATED	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[XX]	[ ]	[XX]	[ ]
2.	SIGNS AND MARKERS	[XX]	[ ]	[XX]	[ ]
3.	TOPSOIL	[XX]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[XX]	[ ]	[XX]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[XX]	[ ]	[XX]	[ ]
d.	WATER MONITORING	[XX]	[ ]	[XX]	[ ]
e.	EFFLUENT LIMITATIONS	[XX]	[ ]	[XX]	[ ]
5.	EXPLOSIVES	[ ]	[XX]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[XX]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
8.	NONCOAL WASTE	[XX]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[XX]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[XX]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[XX]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[XX]	[ ]	[ ]	[ ]
13.	REVEGETATION	[XX]	[ ]	[XX]	[ ]
14.	SUBSIDENCE CONTROL	[ ]	[XX]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[XX]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[XX]	[ ]	[XX]	[ ]
b.	DRAINAGE CONTROLS	[XX]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[XX]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[XX]	[ ]	[XX]	[ ]
20.	AIR QUALITY PERMIT	[XX]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[XX]	[ ]	[ ]	[ ]

PERMIT NUMBER: **ACT/007/022** DATE OF INSPECTION: 4/9/99

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A complete inspection of the Savage Coal Terminal was completed on 4/9/99. The inspection consisted of a field inspection of the loadout environmental control measures.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

-DOGM permit approved 8/8/94, expires 8/7/99.
-Amendment to the MRP are on file at the consultant's office. The last amendment approved the reclamation of eight water monitoring wells including deleting these wells from the water monitoring program. The permittee has completed well reclamation as required on all wells except for the well on the Jensen patented land. The permittee stated that this will would be reclaimed as soon as the permittee acquires access to the Jensen patented land.

3. TOPSOIL

The pre-SMCRA disturbances embrace 35 acres where topsoil was not harvested; 35 acres had topsoil removed before disturbance. The topsoil is stored, vegetated, and lies in the south-westerly portion of the disturbed permit area.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several culverts were cleaned of sediment prior to the inspection and the material was temporarily stored adjacent to the diversion. The permittee stated that the material will be placed on the refuse pile.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Sediment ponds 1,2, and 3 were dry. Pond 5 and 6 contained runoff. Sediment control measures are shown on Plate 3-2. All sediment ponds have markers to indicate when pond clean-out must be undertaken.

4C. OTHER SEDIMENT CONTROL MEASURES

Disturbed areas that do not drain to the sediment pond include:

(a) one area, Price River pipeline, is an approved area exempted from sediment control. Reference report dated 5/11 & 12/1994, and
(b) seven approved alternative sediment control areas.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The report for the fourth quarter 1998 was on file. Also, monthly discharge reports were submitted for the month of February.

INSPECTION REPORT
(Continuation sheet)

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7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The loadout is no longer washing coal. As a result thereof, the only material currently being stored on the refuse pile is sediment removed from the sediment ponds and alternative sediment control devices.

The fourth quarter refuse pile inspection is on file at the office.

13. REVEGETATION

There are two vegetation test plots. One is located on the refuse pile and the other one on the northerly area adjacent to the Railco coal pile.

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The graveled haul road had been sprinkled with water as a dust abatement measure prior to the inspection. Some ancillary roads need to be graded as soon as weather conditions permit.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

Surface facilities were constructed according to the MRP from 10/97 to 6/99 with minor amendments after that period.

21. BONDING AND INSURANCE

The current bond surety bond amount is $2,728,178.00. The midterm permit review determined the bond to reclaim the disturbed area is $2,525,000.00. The bond in place totals $2,728,178.00.

Liability Insurance is on file and covers the period 4/1/99 to 4/1/00.

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) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: April 21, 1999

Inspector's Signature: Wm. J. Malencik #26
Wm. J. Malencik