



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

INSPECTION REPORT

Michael O. Leavitt
Governor
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Division Director

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Partial: Complete: XXX Exploration:
Inspection Date & Time: 7-6-99 / 10:00a.m.-3:30p.m.
7-16-99 / 10:00 a.m.-11:00 a.m.
Date of Last Inspection: 6/4/99

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, 90'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 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES; SLIDES AND OTHER DAMAGE; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSIONATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK; AIR QUALITY PERMIT; BONDING & INSURANCE.

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PERMIT NUMBER: ACT/007/022

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(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A complete inspection of the Savage Coal Terminal was completed on 7/6/99. The inspection consisted of a field inspection of the loadout environmental control measures and a record review. No compliance issues were uncovered.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

-DOGMA permit approved 8/8/94, expires 8/7/99. Mr. Jensen, attorney at law, has submitted renewal documents to the Division.

-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 well 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.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Sediment ponds 1, 2, and 3 were dry. On pond 5 and 6, the bottom of the pond was wet. Sediment control measures are shown on Plate 3-2. All sediment ponds have markers to indicate when pond clean-out must be undertaken. The permittee is obtaining bids to clean sediment pond 6. Pond inspections were completed on 6/29/99.

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 first quarter 1999 was on file, except for stations CV1 and CV14. Hindrance violation was issued because the permittee was not able to come up with the requested records. Also, monthly discharge reports were submitted for the last period.

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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. Refuse pile inspections completed on 6/29/99.

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 roads were sprinkled with water as a dust abatement measure during the inspection.

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.

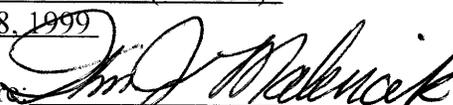
Copy of this Report:

Mailed to: Boyd Rhodes (Savage) Henry Austin (OSM)

Given to: Joe Helfrich (DOGM) Filed to: Price Field Office

Date: July 8, 1999

Inspector's Signature



Wm. J. Malencik

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