



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

Page

Michael O. Leavitt
 Governor
 Kathleen Clarke
 Executive Director
 Lowell P. Braxton
 Division Director

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)

INSPECTION REPORT

Partial: Complete: Exploration:
 Inspection Date & Time: 02/16/00 10:30 am to 3:00 pm
 Date of Last Inspection: 01/11/00

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: Preparation Plant
 State Officials(s): Bill Malencik, Joe Helfrich
 Company Official(s): Boyd Rhodes and Dan Guy Federal Official(s): None
 Weather Conditions: Fair and cold
 Existing Acreage: Permitted-160 Disturbed-122 Regraded- Seeded- Bonded-160
 Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
 Status: Active

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.

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

INSPECTION REPORT

(Continuation sheet)

Page 2 of 4

PERMIT NUMBER: ACT/007/022

DATE OF INSPECTION: 02/16/00

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permits, Change, Transfer, Renewal, Sale

The permit was renewed August 7, 1999. Two stipulations were attached to the permit.

Stipulation #1 of the permit stated that the comment period for public review would expire on September 3, 1999 and if any comments would be received, they would be handled administratively. No comments were received by that date and therefore, the stipulation has been met.

Stipulation #2 required the operator to submit water quality data electronically to the Division beginning with data for the third quarter of 1999. Ken Wyatt, Division Hydrologist, has been working with representatives from EIS and Dana Sheppard. Dry sites have been included in the electronically submitted data. There have been several problems with the formatting and transfer of the data. As requested by Ken, Dana has saved the data as a CDF file. Hard copies of the 4th quarter 1999 monitoring data were available for inspection. As of the date of this inspection DOGM management had not returned the hard copies of the data containing errors.

2. Signs and Markers

Permit entry signs were visible at all points of road entry to the permit area. The signs identifying the soil piles should be upgraded to delineate topsoil and subsoil. Access to the pumphouse was not feasible during this inspection due to recent rain and snow showers. Mr. Rhodes stated that improvements to the pumphouse berm had been completed and additional preimeter markers had been placed along the access road. These items will be inspected during the next inspection.

3. Topsoil: The topsoil piles, test plots and reference area were visited during the inspection. There is established vegetation on each of the piles. However, visually compared to the test plots and reference area, the vegetation is sparse and the small topsoil pile is fairly bare on top. Seeding attempts over the past several years have not resulted in any noticeable success according to Dan and Boyd. The test plot data from 1977 suggests that "those subplots that had more coal refuse performed better and that density was superior in those plots with more coal refuse." This was visually noticeable. The test plots also seemed to have a greater density of grasses and shrubs than the reference area. Discussions regarding test plot results and possible topsoil enhancements will continue during the next inspection.

4. Hydrologic Balance:

a. Diversions: All diversions and culverts observed were functional.

INSPECTION REPORT

(Continuation sheet)

Page 3 of 4

PERMIT NUMBER: ACT/007/022

DATE OF INSPECTION: 02/16/00

b. Sediment Ponds: The south west embankment of pond 6 had been approximately 80% reshaped. Recent snow and rain showers have prevented completion of the embankment reshaping. The sediment removed from pond #6 and placed on the refuse pile has been leveled out.

Dan Guy conducted fourth quarter pond inspections on October 12, 1999. Ponds 1, 2, 3, 4, 5, and 6 were inspected, pond 4, (designed to contain water from wash down at the prep plant) is no longer needed and may be used to store and bury the concrete from the demolition of the thickener pond.

d. Water Monitoring: CV-15W was reported dry on October 12 and CV 14, and CV-16W were reported dry on November 2, 1999. CV-1 the French drain was sampled on December 30, 1999.

e. Effluent Limitations: UPDES Permit #UTG040005 discharge point #001A was reported dry for each month during the fourth quarter.

7. Coal Mine Waste and Refuse Piles

The refuse pile inspection was conducted October 4, 1999 by Dan Guy. The report reflected no issues or problems associated with the refuse pile.

Mr. Guy had inquired about the necessary permitting requirements for selling the coal processing waste from the refuse pile to Co-Gen. Generally, if OSM determines that a AML fee needs to be paid then the Division will consider the material coal; no AML fees then the material will be considered refuse and permitting will be as necessary and required for those materials. No further discussion ensued during this inspection.

16. Roads

Road maintenance and associated drainage controls were in good condition.

21. Bonding & Insurance

Liability insurance is carried by Continental Casualty Company and is effective April 1, 1999 to April 1, 2000.

National Fire Insurance Co. of Hartford carries the reclamation bond in the amount of \$2,525,000.

INSPECTION REPORT

(Continuation sheet)

Page 4 of 4

PERMIT NUMBER: ACT/007/022

DATE OF INSPECTION: 02/16/00

Copy of this Report:

Mailed to: OSM, Boyd Rhodes (Savage)

Given to: Pamela Grubaugh-Littig (DOGM)

Inspector's Signature:  #1 Date: February 22, 2000