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

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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)

May 20, 2002

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor *DRH*

FROM: Joe C. Helfrich, Sr. Reclamation Specialist *JCH*

RE: Midterm Permit Review, Savage Industries Inc., Savage Coal Terminal ACT/007/022-MT02

SUMMARY:

The midterm review for the Savage Coal Terminal facility was initiated by way of Division correspondence to James T. Jensen, (Vice President of Savage Industries Inc.), on March 26, 2002. The following items were chosen for review:

1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, and notice of violation abatement plans, and permittee-initiated plan changes are appropriately incorporated into the plan document.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.

TECHNICAL MEMO

5. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

On April 19, 2002 the Division approved amendment # 02A-1, submitted by Savage Industries Inc. to remove topsoil and develop a 13-acre parcel for coal storage. Three additional requirements were incorporated into the Midterm Review. They were:

- Climatological information
- Violation history information.
- Reclamation of high water table areas.

The Division received a response to these items on May 13, 2002. This memo will address items one, two, six, seven and eight.

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30CFR773.22; 30CFR778.13; R645-301-112

Analysis:

The permittee has provided the Division with an updated list of the officer's directors and shareholders. Changes to the information in the current plan were noted and provided to the AVS.

Findings:

Savage Industries Inc. has met the regulatory requirements of item two of the midterm review.

VIOLATION INFORMATION

Regulatory Reference: 30CFR773.15(b); 30CFR773.23; 30CFR778.14; R645-300-132; R645-301-113

Analysis:

The AVS office provided a quality check on Savage Industries Inc. on April 19, 2002. The inquiry revealed that there were no outstanding notices of violation or cessation orders in the

name of Savage Industries Inc.

There are also no outstanding notice of violation abatement plans for the Coal loadout facility. There have not been any violations issued since 1997 nor has Savage Industries Inc., or any affiliate, or persons controlled by or under common control with Savage had a federal or state permit to conduct coal mining and reclamation operations suspended or revoked in the past five years.

Findings:

Savage Industries Inc. has met the regulatory requirements for items one and seven of the midterm review.

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT APPROVAL

Regulatory References: 30 CFR773.17; R645-300-140; R645-300-145.

Analysis:

The permit was renewed August 7, 1999 and expires August 7, 2004. There are no special conditions or stipulations attached to the current permit. The permittee-initiated plan changes have been incorporated into the plan document.

Findings:

Savage Industries Inc. has met the regulatory requirements for item two of the midterm review.

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

CLIMATOLOGICAL RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.18; R645-301-724.

Minimum Regulatory Requirements:

TECHNICAL MEMO

Provide a statement of the climatological factors that are representative of the proposed permit area, including: the average seasonal precipitation; the average direction and velocity of prevailing winds; and, seasonal temperature ranges. Additional data may be requested as deemed necessary to ensure compliance other regulatory requirements.

Analysis:

Updated climatological information is provided for in Section 11 of the MRP. Table 11-1 includes the temperature, precipitation, snowfall and evapotranspiration data from 1968-1992. From the data provided in Table 11-1, the mean annual precipitation over a 24 year period is 9.3 inches. Current information from 1992 to present should also be provided.

Table 11-2 summarizes the mean wind speeds in Castle valley The mean annual soil temperature is 47 – 48 degrees Fahrenheit and the frost-free period ranges from 118 to 196 days.

Findings:

The summarized current climatological and air quality information is not adequate to meet the requirements of item six of the midterm review and this section of the Regulations. Prior to final approval of the midterm review the permittee must provide the following information in accordance with,

R645-301-724, Precipitation data from 1992 to present must be provided. The information can be acquired by contacting Don Jensen, (State Climatologist at Utah State University), (435) 797-2190.

RECLAMATION PLAN

REVEGETATION

Regulatory Reference: 30 CFR 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Standards for Success

As shown on Plates 3-2 and 9-1 and discussed in Sections 3.4.4.2 (page 3-48) and 9.3.2.5, the reference area was set up in 1980 for the shadscale phase of the salt desert community to establish revegetation success standards for the entire mine site. Production of the reference area was estimated at 450-lbs/acre air dry and the site was rated in good condition in September 1983 by Mr. Don Andrew, Range Conservationist with the USDA SCS (MRP, Figure 9-1). The Permittee has made a commitment in Section 9.3.2.5 of the MRP to re-evaluate the condition of

the condition of the reference area during the 2002 growing season.

The reference area soils are described as Chipeta silty clay slopes 3-20%. The reference area soils differ from much of the permit area including a small acreage of those to be disturbed in that their elevation places them above the water table and they are not subject to accumulations of salt from ponding water as are the Killpack soils that support the wetland salt grass vegetation.

The Division suspects that upon reclamation, sizeable areas of ponded water will exist at the entire site for the following reasons:

- During recent removal of refuse, the Permittee was obliged to remove equipment from areas along the eastern boundary of the permit due to the elevated water table.
- As noted in the MRP Section 9.5 "eventual soil saturation or inundation of the low western permit area is possible upon final reclamation."
- As noted in the MRP Section 9.2.1, page 9-2, "A sedge meadow was mapped during the original study (June 1980), adjacent to the current western permit boundary. Although no such type was actually mapped within the permit area, a low area does exist within the currently mapped Disturbed, Agricultural area, now drained by a French drain."

These wetlands will not likely meet the criteria for success established for higher ground, i.e. diversity. The Permittee has documented the condition of the wetland vegetation within the proposed disturbed area (Appendix 9-3). Reclamation for wetland areas within the permit can be patterned after previously existing wetland descriptions. i.e. the baseline data method described in the Vegetation Information Guidelines.¹ The wetland within the proposed disturbance is one of two last wet areas remaining in the permit area. Savage Industries should develop a wetland mix for lowlands within the disturbed area.

The site will receive the final reclamation seed mix as described in Table 3-2 of the MRP: Crested wheat grass, Thickspike wheatgrass, Indian ricegrass, Fairway crested wheatgrass, Squirreltail grass, Russian wildrye, Globemallow, Sunflower, Palmer penstemon, Yellow sweetclover, Kochia, Winterfat, Shadscale, Matbush, Whitestem rubber rabbitbrush, and Four-wing saltbush. As stated on page 3-58 the final mix may undergo alteration depending upon the success of the interim seed mixture.

Savage Industries has made plans for a wetland mix along the Price River Pipeline (page 3-58). This mix is found in Table 3-3. Reclamation of the pipeline will include willow plantings and streambank wheatgrass.

Findings:

¹ Utah Division of Oil, Gas and Mining. February 1992. Vegetation Information Guidelines. p 6.

TECHNICAL MEMO

The information provided is not adequate to meet the requirements of midterm item eight and this section of the Regulations. Prior to approval of this midterm review the permittee must provide the following information in accordance with,

R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284. A seed mix for lowlands within the disturbed area, a re-evaluation of the location and species composition of the current reference area and a revised vegetation map, plate 9-1.

RECOMMENDATION:

Prior to approval of the midterm review the permittee must address the requirements of midterm items six and eight.

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