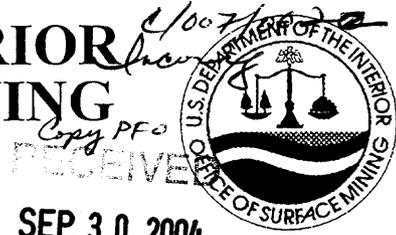




0024

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING Mine Site Evaluation State Program



SEP 30 2004

1. Permittee/Person SAVAGE INDUSTRIES, INC.		9. Permit Number UT-007-022	10. Permit Type PP
2. Address PO BOX 587		11. Field Visit Date 09/14/2004 mm - dd - yyyy	12. Purpose O
3. City Wellington	4. State UT	14. Permit Status A	15. Site Status AN
5. Zip Code 84542	6. Phone Number (801) 944-6600	17. OSM Office # 140	18. CCID #
7. Operator Name, if Different than Permittee 		20. M.S.H.A ID # 42-01444	21. State Abrev. UT
8. Mine Name SAVAGE COAL TERMINAL		23. AVS Permittee Entity ID Number 109235	24. State Office
13. SRA Present Y		16. Facility Type CEG	
19. Land Code S		22. County Name CARBON	

25. Hours	26. Signature Block	27. Reviewing Official:
1.0 a. Permit Review	<i>Henry Austin</i> Signature: 9/21/04	<i>J. Fulton</i> Signature:
3.0 b. Site Visit Time	Printed Name: HENRY AUSTIN ID # 116	Review Date: 09/21/2004 mm - dd - yyyy
6.0 c. Travel Time	Date: 09/21/2004	Is Supplemental MSE Page Used Y/N Y
1.0 d. Report Writing		

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12

Oxx.... Oversight	Rfx.... Reclamation Fees	CCR.... Citizen Complaint Referral (non site visit)
Axx.... Assistance	Fxx.... Federal Actions	CC..... Citizen Complaint (initial site visit)
		CCF.... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14

A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.	AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.	AB1.. Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
BR.. Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)	AB2.. Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
	AB3.. Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
	NA.... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15

ND... No Disturbance: No coal mining and reclamation operations have been started.	MC.. Mining Complete: No mining activity on site, site graded and awaiting phase bond release.	NS.. Non-Site Visit: Status of site not determined.
EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.	TC.. Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).	FP.. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
AP.. Active Coal Producing: Coal surface mining activities are occurring.	P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.	FR.. Forfeited and Reclaimed: Forfeiture reclamation completed.
AN.. Active Non-Producing: Active non-producing facility such as tipple or preparation plant.	P2.. Phase II Release: At least Phase II bond release for the entire permitted area.	FO.. Abandoned Site: Abandoned site that is permitted but there is no bond.
NM.. No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.	P3.. Phase III Release: Reclamation completed and the RA has released all bond.	WC.. Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A... Surface	D... Ancillary (Haulroad, Conveyor, and/or Rails)	H... Exploration Permits	L... Remining site permitted under 30 CFR 785.25
B... Underground	E... Refuse and/or Impoundment	I... Notice of Intent to Explore	
C... Preparation Plant	F... Loading Facility and/or Tipple	J... Exempt 16 and 2/3	
	G... Stockpiles	K... Government Financed Construction Exemption	

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person **SAVAGE INDUSTRIES, INC.**

Permit
Number **UT-007-022**

Field Visit
Date **09/14/2004**

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

- | | | | | | | | | | | | | | | |
|---|--|--|----------|-------|-------|----------|-------------|-------|-------|----------|----------|-------|-------|----------|
| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. <u>1</u> AML Rec. Fees -- Non-Respondent 8. <u>1</u> AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>1</u> Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>3</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u>1</u> Removal 2. <u>1</u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u>1</u> Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u>3</u> Exposed Openings 2. <u>3</u> Contemporaneous Reclamation 3. <u>3</u> Approximate Original Contour 4. <u>3</u> Highwall Elimination 5. <u>3</u> Steep Slopes (includes downslope) 6. <u>1</u> Handling of Acid & Toxic Materials 7. <u>3</u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u>3</u> Placement 2. <u>3</u> Drainage Control 3. <u>3</u> Surface Stabilization 4. <u>3</u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Surface Stabilization 3. <u>1</u> Placement 4. <u>1</u> Inspections and Certifications 5. <u>1</u> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. <u>3</u> Blaster Certification 2. <u>3</u> Distance Prohibitions 3. <u>3</u> Blast Survey/Schedule 4. <u>3</u> Warnings & Records 5. <u>3</u> Control of Adverse Effects | <p>H. <u>3</u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u>1</u> Road Construction 2. <u>1</u> Certification 3. <u>1</u> Drainage 4. <u>1</u> Surfacing and Maintenance 5. <u>1</u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. <u>1</u> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u>1</u> Vegetative Cover 2. <u>1</u> Timing <p>M. <u>1</u> Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">General</td> <td style="width: 10%; text-align: center;">_____</td> <td style="width: 10%; text-align: center;">_____</td> <td style="width: 10%; text-align: center;">1) _____</td> </tr> <tr> <td>Performance</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">2) _____</td> </tr> <tr> <td>Category</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">3) _____</td> </tr> </table> | General | _____ | _____ | 1) _____ | Performance | _____ | _____ | 2) _____ | Category | _____ | _____ | 3) _____ |
| General | _____ | _____ | 1) _____ | | | | | | | | | | | |
| Performance | _____ | _____ | 2) _____ | | | | | | | | | | | |
| Category | _____ | _____ | 3) _____ | | | | | | | | | | | |

Performance Standard Categories 30 CFR Counterpart

<p>A. Administrative.....(816/817.11-17)</p> <ol style="list-style-type: none"> 1. Valid Permit.....773.11 2. Mining within Bonded Area.....773.11 3. Terms & Conditions of Permit.....773.17 4. Liability Insurance.....800.60 5. Ownership and Control.....778.13 6. Temporary Cessation.....842.11(e) & 816/817.131 7. AML Rec. Fees -- Non-Respondant.....870.15(b) 8. AML Rec. Fees -- Failure to Pay.....870.15(a) <p>B. Hydrologic Balance.....(816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control.....45 2. Inspections & Certifications.....49(a)(10) 3. Siltation Structures.....46 4. Discharge Structures.....47 5. Diversions.....43 6. Effluent Limits.....42 7. Ground Water Monitoring.....41(c) 8. Surface Water Monitoring.....41(e) 9. Drainage--Acid - Toxic Materials.....41(f) 10. Impoundments.....49 11. Stream Buffer Zones.....57 <p>C. Topsoil & Subsoil.....(816/817.22)</p> <ol style="list-style-type: none"> 1. Removal.....22(a) 2. Substitute Materials.....22(c) 3. Storage and Protection.....22(c) 4. Redistribution.....22(d) <p>D. Backfilling & Grading.....(816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation.....100 3. Approximate Original Contour.....102(a)(1) 4. Highwall Elimination.....102(a)(2) 5. Steep Slopes (includes downslope).....107 6. Handling of Acid & Toxic Materials.....102(c) 7. Stabilization (rills and gullies).....95(b) 	<p>E. Excess Spoil Disposal.....(816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement.....71(e) 2. Drainage Control.....71(f) 3. Surface Stabilization.....71(g) 4. Inspections & Certifications.....71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control.....83(a) 2. Surface Stabilization.....83(b) 3. Placement.....83(c) 4. Inspections and Certifications.....83(d) 5. Impounding Structures.....84 <p>G. Use of Explosives.....(816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification.....61(c) 2. Distance Prohibitions.....61(d) 3. Blast Survey/Schedule.....62-64 4. Warnings & Records.....66 & 68 5. Control of Adverse Effects.....67 <p>H. Subsidence Control Plan.....(817.121-122)</p> <p>I. Roads.....(816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction.....150(c) 2. Certification.....151(a) 3. Drainage.....150(b)-151(d) 4. Surfacing and Maintenance.....150(e)-151(d) 5. Reclamation.....150(f) <p>J. Signs & Markers(816/817.11)</p> <ol style="list-style-type: none"> 1. Signs.....11(a),(b),&(c) 2. Markers.....11(a),(b),(d),(e),&(f) <p>K. Distance Prohibitions.....(761.11)</p> <p>L. Revegetation.....(816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover.....111 & 116 2. Timing.....113 <p>M. Postmining Land Use.....(816/817.133)</p>
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September 20, 2004

Savage Industries, Inc.
Savage Coal Terminal
PO Box 587
Wellington, UT 84542

Complete, oversight inspection
September 14, 2004

Participants:

Dan Guy, Savage Coal (Engineering consultant)
Steve Demczak, Utah Division of Oil, Gas and Mining (DOGGM)
Howard Strand, Office of Surface Mining (OSM)
Henry Austin, OSM

We participated in a complete, joint, inspection of this coal handling, train & truck loadout facility. This facility was selected for inspection during the 2005 evaluation year by the OGM / OSM Evaluation Team. Weather conditions were warm and windy, and ground conditions were dry throughout the coal handling and loading facility. The primary focus of this complete inspection was to evaluate off site impacts. No off site impacts were identified during the inspection, nor were any off site impacts evident in the review of required environmental monitoring reports. There are no reports or evidence of coal dust off of the permit area, and no citizen complaints on this facility.

There were large active coal stockpiles in the active portion of the loadout area. Mr. Guy briefly discussed a proposed permit revision to add conveyor(s) access to the stockpiles to facilitate more efficient coal handling at the loadout.

The coal refuse pile is stable and compacted, and surface water runoff is prevented from running over the pile out slopes by a berm. No serious erosion was evident on the pile. This coal waste was previously being hauled to the Sunnyside Co-Gen Facility. Apparently, this haulage was ended when Sunnyside re-permitted the StarPoint refuse pile. This facility does not produce coal refuse routinely, and the refuse pile is from previous operations here.

We inspected all of the disturbed areas on the permit, and made stops and observations at the following: pump house area and sediment pond # 6 were stable; sed. ponds 1, 2, and 3 were stable and dry; topsoil stockpile was imprinted, seeded, and mulched this season-the topsoil stockpile was considerably enlarged this year with topsoil salvaged on the permit area to develop approved coal stockpile expansion areas; some water was noted in sed. pond # 5; roadways and ditches, and runoff diversions inspected were clear and functional; and the truck dump loadout area and the western permit boundary were well maintained. This concluded the field inspection of the disturbed areas on the permit.

Savage Coal Terminal, pg. 2

Mr. Demczak conducted a thorough review of required environmental monitoring records, and permitting records. We reviewed the following records: OGM permit term is August 4, 2004 through August 7, 2009 with no permit stipulations (except electronic submittal of water quality monitoring data to OGM's water monitoring data base web site) and the permit area is 160 acres with approximately 113 acres disturbed; the surety performance bond here is \$2,525,000.00; UPDES discharge monitoring reports were reviewed and are current with no non-compliant discharges noted; OGM water quality database uploads are current; quarterly sediment pond inspections were current through June 7, 2004 and the refuse pile was also inspected / certified on that date; the SPCC plan is dated December 2002, certified by an RPE and available for inspection; the required liability insurance is current through April 1, 2005; the annual report is dated March 22, 2004, and contains the annual impoundment inspection / recertification; and the primary haul road certification is available for inspection. Water monitoring locations are being monitored as required by the approved OGM permit and the UPDES permit. This concluded the records review and the inspection.

Please address any questions concerning this report to Henry Austin at haustin@osmre.gov or to (303) 844-1400 x1466.