



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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November 15, 2004

OK

James T. Jensen, Vice President
Savage Services Corporation
6340 South 3000 East, Suite 600
Salt Lake City, Utah 84121

Re: Conditional Approval of New Shop/Oil Storage Building, Savage Services Corporation, Savage Coal Terminal, C/007/0022, Task ID #2059, Outgoing File

Dear Mr. Jensen:

The above-referenced amendment is conditionally approved upon receipt of three clean copies prepared for incorporation. Please submit these copies by December 15, 2004. Once we received these copies, final approval will be granted at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. A copy of our Technical Analysis is enclosed.

If you have any questions, please feel free to call me at (801) 538-5268 or Stephen J. Demczak at (435) 613-1146 ext 202.

Sincerely,

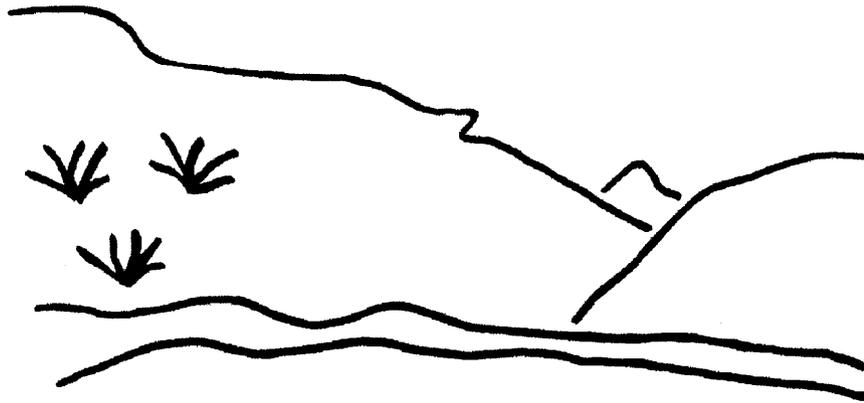
Pamela Grubaugh-Littig
Permit Supervisor

SJD/sd
Enclosure

cc: Dan Guy, Blackhawk
Boyd Rhodes, Savage
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Savage Coal Terminal
New Shop/Oil Storage Building
C/007/022
Task ID #2059
Technical Analysis
November 9, 2004



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TECHNICAL ANALYSIS

TECHNICAL ANALYSIS

The Division regulates the Surface Mining Control and Reclamation Act of 1977 (SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.



INTRODUCTION

INTRODUCTION

The permittee has requested to construct a new building to serve as a shop and an oil storage building. This will replace the existing oil storage trailers. This building would be in the current disturbed area. All topsoil and vegetation has been removed. There will be no changes to the hydrology requiring culverts or diversions. This area presently reports to the sediment pond.

Bonding for the additional structures will be minimal and is already covered in the contingency in the bond.

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INTRODUCTION

OPERATION PLAN

OPERATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Topsoil Removal and Storage

The area for construction is in the disturbed area and the topsoil has been removed.

Findings:

The permittee has met the minimum requirements of this section.

VEGETATION

Regulatory Reference: R645-301-330, -301-331, -301-332.

Analysis:

The area for construction is in the disturbed area and the vegetation has been removed.

Findings:

The permittee has met the minimum requirements of this section.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

General

There will be no changes to the hydrology section. The Oil/Maintenance building will be in the existing disturbed area. No changes will be needed to diversions, culverts, or other hydrology structures. The runoff from this area is currently reports to a sediment pond.

Findings:

The permittee has met the minimum requirements of this section.

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

The permittee has revised the Surface Facilities Map Drawing 3-2. This map shows the location of the Oil/Maintenance building.

Findings:

The permittee has met the minimum requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

The permittee has updated the Facilities Map 3-2 showing the location of the Oil/Maintenance building. This map is P.E. certified.

Certification Requirements

The permittee has P.E. certified Drawing 3-2.

OPERATION PLAN

Findings:

The permittee has met the minimum requirements of this section.

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OPERATION PLAN

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The reclamation of Oil/Maintenance building is to remove the steel structure and break-up the concrete. The concrete will be placed into sediment pond #5 upon final reclamation. The permittee can dispose of concrete on the site. There will be little or no change to the existing ground contour.

Findings:

The permittee has met the minimum requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The total projected cost for the Oil/Maintenance building is \$18,091.88. The Savage Coal Terminal is presently bonded for a total of \$2,525,000. Included in the bond is a contingency of \$126,000. The amendment will account for 14.3% of the contingency. Therefore, the permittee has sufficient amount of bond to cover the cost of reclamation for this project.

Findings:

The permittee has met the minimum requirements of this section.