

0020

SAVAGE

Savage Services Corporation
2025 East 5000 South
Price, UT 84501

(435) 637-5664
Fax (435) 637-3418

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Juncos
10/07/0022

Re: Revised
B.T.U. Resource Recovery
Plan for Refuse Material
Savage Coal Terminal M.R.P.
ACT/007/022
Carbon County, Utah

Dear Pam:

Enclosed are 3 copies of a revised plan to utilize a portion of the Savage Coal Terminal refuse pile as a B.T.U. resource recovery material. The enclosed plan is the same (Appendix 3-6) as approved on August 19, 2005, with 2 exceptions:

- 1) The proposed tonnage to be removed has been increased from 15,000 tons to a range of 15,000 to 100,000 tons;
- 2) The new proposal allows for air cleaning of the removed refuse and return of the reject to the refuse pile.

A C₁/C₂ Form is also included.

RECEIVED

OCT 24 2005

DIV OF OIL, GAS & MINING

If you need any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan W. Guy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan W. Guy

for

Boyd Rhodes, Manager

cc: Pete Hess - DOGM
Boyd Rhodes - Savage
File

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/022
Title of Proposal: Revised B.T.U. Resource Recovery Plan for Refuse .						Mine: Savage Coal Terminal
						Permittee: Savage Services Corp.

Description, include reason for application and timing required to implement:

Refuse/Waste Utilization.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? <u>133</u> acres X increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO #
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV #
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

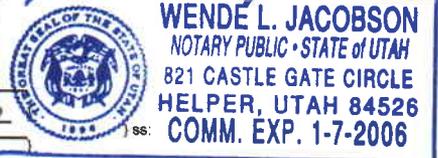
X Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Wendel Jacobson for Boyd Rhodes, Mgr. 10/18/05
Signed - Name - Position - Date

Subscribed and sworn to before me this 18 day of Oct, 2005.

Wendel Jacobson
Notary Public
My Commission Expires: 1-7, 2006
Attest: STATE OF Ut COUNTY OF Carbon



Received by Oil, Gas & Mining

RECEIVED

OCT 24 2005

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

APPENDIX 3-6

B.T.U. Resource Recovery Plan

for

Refuse Pile

(Revised October 2005)

**B.T.U. Resource Recovery Plan
for
Refuse Material**

Introduction : Savage Services Corporation is proposing to utilize a portion of the existing Savage Coal Terminal refuse pile as a B.T.U. Resource Recovery Material. A plan and approval are in place for removal of the refuse pile and subsequent burning of the material in the Sunnyside Cogeneration Associates power plant. This proposal is not intended to replace that plan, but to supplement it, since the power plant has not been consistent in its usage of the material.

General : The proposal is to remove from 15,000 to 100,000 tons of refuse material to be used as a B.T.U. resource recovery material. The refuse will be blended with a coal product, shipped to and burned in cement plants. The actual amount of refuse material to be recovered will be determined by analyses and customer demand.

The plan for removal is detailed in Appendix 3-4. The removal plan will remain the same; however, dates of removal will vary since Sunnyside Cogeneration Associates have not been taking the refuse on a regular basis.

Under this alternate scenario, refuse will be removed and cleaned using a patented air cleaning technology. The cleaned product will actually be the B.T.U. Resource Recovery product to be blended or shipped to the customer. The company which will perform the cleaning and distribution to the customer is operating under approved permits for these activities; however, since they are not considered a coal preparation facility they do not have an approved refuse disposal site. Therefore, this proposal is to allow removal and cleaning of the refuse, and then to return the reject from the cleaning back to the Savage Coal Terminal refuse pile.

Under this proposal, only material from the Savage Refuse Pile would be returned to the Savage Coal Terminal. The reject material would be placed and compacted in the refuse pile according to the approved refuse disposal plan.

Although this procedure will not completely eliminate the refuse pile, it will at least partially reduce the size of the pile, reduce the potential for a pile fire by substantially reducing the combustible material and provide for the original intent of the plan, which is B.T.U. Resource Recovery. Refuse will be provided at no cost as per the "no value determination". Refuse remains under ownership of Savage Services Corporation until shipped.

The refuse, or B.T.U. resource recovery material, will be handled and burned by the customer in the same manner as any other fuel product at their site.

The material has been tested and found to be non-acid and non-toxic. (See Attachment 1). **The cleaning process uses only air, and there will be no chemicals or other material added to the refuse; therefore, the returned material will also be non-acid and non-toxic.**

The removal plan will be as shown and described in Appendix 3-4, whether the refuse material is shipped to Sunnyside Cogeneration Associated, or utilized as a B.T.U. resource recovery material.

Existing Approvals :

- 1- Removal of the entire refuse pile for burning at the Sunnyside Cogeneration Plant was approved by the Division on 8/10/2000;
- 2- A "No Value Determination" for the refuse was made by OSM on 10/28/2000;
- 3- MSHA approved the removal and ground control plan on 7/31/2000.
- 4- **DOGM approved the removal of 15,000 tons of the refuse material (without the return of reject) on August 19, 2005.**

Environmental Controls : The method of removal and environmental controls will remain the same as described and approved in Appendix 3-4 of this M.R.P.

Attachment 1

**Acid-Toxic Analysis
for
Savage Coal Terminal Refuse**

RECEIVED

AUG 19 2005

DIV OF OIL GAS & MINING



General Offices: P.O. Box 995 Price, Utah 84501 435-637-4343
 Laboratory: 545 East 100 North Price, Utah 84501

Submitted to:

6/1/2005

Commonwealth Coal Sales
 5413 Patterson Ace.
 Suite 205
 Richmond, VA 23226

Date Sampled: 5/4/2005
 Date Received: 5/4/2005

Sample Identification:
 Composite of Savage Holes
 H33-S1, H31-S2, H34-S1

Sampled By: SCT Auto
 Identification By: WRRJ

Analysis Report #: 49997

CERTIFICATE OF ANALYSIS

Mineral Ash Analysis

Parameter	Percent Weight Ignited Basis
Silica, SiO ₂	55.34
Alumina, Al ₂ O ₃	10.51
Titania, TiO ₂	0.97
Lime, CaO	6.55
Ferric Oxide, Fe ₂ O ₃	2.87
Potassium Oxide, K ₂ O	0.82
Magnesia, MgO	2.44
Sodium Oxide, Na ₂ O	0.71
Sulfure Trioxide, SO ₃	17.30
Phosphorus Pentoxide, P ₂ O ₅	0.50
Undetermined	1.99
Alkalic Content, Total on Ash =	0.26
Silica Value =	82.35
Base to Acid Ratio =	0.20
Estimated Temperature of	
Critical Viscosity =	XXXX
Estimated T250 Temperature =	2700

Respectfully Submitted,
 HORIZON LABORATORIES

A handwritten signature in black ink, appearing to read "V. [unclear]", is written over the printed name of the Laboratory Manager.

Laboratory Manager

AUG 19 2005

DIV OF OIL, GAS & MINING



HORIZON LABORATORIES

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H33-S1, H31-S2, H34-S1

Sampled By: SCT Auto
Identification By: WRR1

Analysis Report #: 49997

CERTIFICATE OF ANALYSIS

Proximate

	As Received Basis	Dry Basis
% Moisture	7.73	—
% Ash	19.21	20.82
% Volatile Matter	34.67	37.57
% Fixed Carbon	38.39	41.61
	<hr/> 100.00	<hr/> 100.00
% Sulfur	0.66	0.71
Btu/Lb.	10053	10895

Moisture Ash Free Btu/Lb. 13760

Respectfully Submitted,
HORIZON LABORATORIES



Laboratory Manager

MAY 30 2005

DIV OF OIL GAS & MINING



General Offices: P.O. Box 995 Price, Utah 84501 435-637-4343
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 H33-S1, H31-S2, H34-S1

Sampled By: SCT Auto
 Identification By: WRRJ

Analysis Report #: 49997

CERTIFICATE OF ANALYSIS

Ultimate Analysis

%	As Received Basis	Dry Basis
Moisture	7.73	---
Carbon	57.90	62.75
Hydrogen	3.77	4.09
Nitrogen	1.23	1.33
Ash	19.21	20.82
Sulfur	0.66	0.71
Oxygen	9.50	10.30
	100.00	100.00

Respectfully Submitted,
 HORIZON LABORATORIES

A handwritten signature in black ink, appearing to read "V. J. Jones", is written over the printed name of the Laboratory Manager.

Laboratory Manager

JUN 1 2005

DIV OF OIL CO