



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director
 LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor
 GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
OGM	Pete Hess Environmental Scientist III
Company	Boyd Rhodes
Company	Dan Guy

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Monday, January 24, 2005
Start Date/Time:	1/24/2005 9:05:00 AM
End Date/Time:	1/24/2005 2:15:00 PM
Last Inspection:	Thursday, December 08, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear, cold; 30's to 40's F during day.

InspectionID Report Number: 513

Accepted by: whedberg
 2/11/2005

Permittee: **SAVAGE SERVICES**
 Operator: **SAVAGE SERVICES**
 Site: **SAVAGE COAL TERMINAL**
 Address: **6340 S 3000 E STE 600, SALT LAKE CITY UT 84121**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

160.00	Total Permitted
122.28	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The current State permit for the Savage Coal Terminal permit area includes one Special Permit Condition included in Attachment "A" of that document. That requirement mandates that the permittee submit all required water monitoring information to the Division electronically. Mr. Dan Guy, P.E., of Blackhawk Engineering submits this information for the permittee. Information for monitoring points CV-1-W and CV-14-W is obtained during the second and fourth quarters of the monitoring year. UPDES outfall monitoring for point CV-15-W is conducted monthly. Monitoring for the 4th quarter of 2004 will not be due until March 31, 2005.

Inspector's Signature

Date Monday, January 24, 2005

Pete Hess, Environmental Scientist III
 Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.



REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input 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 Issues	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

The site has one topsoil storage facility. The lack of a protective cover crop to prevent wind and water erosion, as required by R645-301-234.230, was noted. The pile has received mild roughening, but to date, vegetation does not appear to be developing. Mr. Rhodes indicated that the pile had been reseeded during September of 2004. Mr. Guy indicated that he has installed sprinkling systems on topsoil piles to develop the required protection. However, when the systems are removed, the cover crops die. This problem is common at other State permitted facilities as well.

4.a Hydrologic Balance: Diversions

The majority of the site's diversions appear to be in good repair and appear capable of functioning as designed. Soil conditions throughout the Carbon County area are saturated, preventing any proposed ditch maintenance from actually accomplishing anything. Rutting has occurred where rubber-tired equipment is crossing soft ground, but drainage of those areas appears to be working to the best extent possible. Mr. Rhodes indicated that as ground conditions improve, maintenance of those areas will be performed as quickly as possible. Any ditches containing sediment accumulation will be redefined according to the specifications contained in the mining and reclamation plan.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The disturbed area utilizes five sediment ponds to collect and treat runoff reporting to them. All of the ponds are located in the NE corner of the permit area. Ponds 1, 2, and 3 (located on the northern boundary) operate in series, reporting their effluent to Pond 6. Pond 5, located on the eastern boundary, also reports its treated effluent to pond 6. After treatment in pond 6, all flow reports to the only UPDES outfall permitted for this site (001A) thence to the Price River. Mr. Guy conducted the fourth quarter impoundment inspections for the permit area on December 22, 2004. There were no hazardous conditions or signs of instability reported for any of the ponds. This inspection will also serve as the permittee's annual impoundment certification. All inspection forms reported the amount of sediment storage capacity remaining for each pond; these volumes vary from 0.14 to 0.48 acre feet. Based upon that information, ponds 6 and 3 will be the first ponds which require cleaning in order to remain in compliance.

7. Coal Mine Waste, Refuse Piles, Impoundments

The site has one refuse pile which is located in the SE corner of the permit area. DOGM approvals for the sale of this refuse material are in place, with product being sold to Sunnyside Co-Generation Associates in Sunnyside, Utah. Both the east side and the west side of the pile have been removed for sale, and that acreage is now used for coal storage. At the present time, this refuse pile is not being remined for sale. Inspection of the facility did not reveal a presence of noncoal waste material. There was no evidence of spontaneous combustion within the pile.

16.a Roads: Construction, Maintenance, Surfacing

The site utilizes three primary roads in order to transport coal; one road provides access from the west gate to the truck dumps numbered 1,2,3. The second primary road provides access to truck dumps 4 and 5. The refuse haul road is also classified as "primary".

17. Other Transportation Facilities

The facility has an immense economic value because of its ability to load coal unit trains. A rail loading loop and a concrete storage / loading silo make this possible. Due to the eight permitted coal storage areas, the facility has the ability to make custom blends meeting customer contract specifications at will.

18. Support Facilities, Utility Installations

The permittee recently received final Division approval for the installation of a new shop building and oil storage facility (12/23/04, Task ID# 2059). To date, the permittee has not initiated the construction of that facility.

19. AVS Check

The permittee recently submitted an application to update officers and directors (10/20/2004, Task ID#2051). The information was faxed to the Office of Surface Mining for concurrence on October 27, 2004. The status of same is not known at this time.

21. Bonding and Insurance

The permittee's current general liability insurance remains in effect until April 1, 2005. An aggregate amount of \$10,000,000 is provided. A coverage amount of \$5,000,000 is provided for each occurrence. Coverage for damage incurred from the use of explosives is also provided. The Division recently asked the permittee to update the reclamation bond for the site. The initial review of the application was determined deficient by DOGM. The permittee has responded to that deficiency document and approval of the revised costs are pending.