



The State of Utah  
 Department of  
 Natural Resources

Division of  
 Oil, Gas & Mining

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GAYLE F. McKEACHNIE  
*Lieutenant Governor*

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

# Inspection Report

Permit Number:	<b>C0070022</b>
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, April 26, 2005
Start Date/Time:	4/26/2005 9:00:00 AM
End Date/Time:	4/26/2005 2:30:00 PM
Last Inspection:	Thursday, March 17, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, warm: 40's F.

InspectionID Report Number: 593

Accepted by: whedberg  
 5/5/2005

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	<b>Total Permitted</b>
122.28	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

### 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:

Attachment "A" of the current State permit requires the Permittee to submit all surface water monitoring data to the Division EDI in an electronic form on a quarterly basis. The Permittee continues to meet this Special Permit Condition. All required fourth quarter 2004 surface water monitoring information was submitted to the Division EDI prior to March 31, 2005.

There are no compliance issues currently pending for the Savage Coal Terminal permit area. The Permittee's 2004 Annual Report was submitted to the Division on March 18, 2005.

Inspector's Signature \_\_\_\_\_

Pete Hess, Environmental Scientist III  
 Inspector ID Number: 46

Date \_\_\_\_\_

Tuesday, April 26, 2005

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

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**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 checked="" 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 checked="" 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 checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### **1. Permits, Change, Transfer, Renewal, Sale**

The amount of reclamation bond for the Savage Coal Terminal permit area was recalculated and approved by the DOGM on January 31, 2005 (Task ID #2113). A surety bond in the amount of \$2,525,000 is in place to ensure reclamation.

### **3. Topsoil**

The single topsoil storage pile at this site was walked over during the inspection. There was no visible evidence of coal fines in the roughened areas, nor on the soil surface between the "pocks". Some vegetation was evident, but the new sprouting appeared to be a weed species. The silt fence located on the west side of the pile appeared to be functioning for its intended purpose, (prevention of coal fine deposition). The coal storage pad to the west of this pile is not being used for storage purposes.

#### **4.a Hydrologic Balance: Diversions**

All diversions at the site including ditches, berms, and culverts appear to be functioning as intended. Many have been newly defined.

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Mr. Guy performed the first quarter of 2005 impoundment inspections for the Savage permit area on March 14, 2005. There were no hazards or signs of instability noted either during the March inspection or during today's field inspection. All ponds contained water, although the surface elevation of their respective volumes was well below the discharge elevation.

#### **4.d Hydrologic Balance: Water Monitoring**

Surface water monitoring for UPDES site CV-15W was performed at the road swale collection point (downgradient of pond #6) on March 18, 2005 and April 22, 2005. No sample was collected on either day (no outfall from pond #6). The information was forwarded to the Division EDI on April 27, 2005.

## **7. Coal Mine Waste, Refuse Piles, Impoundments**

The Permittee and the OGM representative discussed a forthcoming permit amendment which would allow the Permittee to dispose of the material placed in the refuse pile as a product for off site blending purposes. This type of activity was being performed at the Willow Creek Mine to enhance ash-fusion temperature requirements for respective customers. The Savage pile has seen interest in the past from Sunnyside Co-Generation Associates. Numerous items which were discussed with Mr. Rhodes and Mr. Guy included the following: 1) ownership of the pile as it exists within the Savage permit area, 2) acid-toxic potential of the material in the Savage pile, 3) specifications for the storage and placement of the material at a non-SMCRA site, and 4) the Federal and/or State agency responsible for regulating the non-SMCRA site. Mr. Rhodes indicated that the refuse material was at the site when Savage industries purchased the CV Spur permit area. Mr. Guy was able to produce some refuse analyses from the Savage Coal Terminal MRP, indicating that the reports were old. It appears that most, if not all, of the material in the refuse pile came from the Gordon Creek #2, 3, 4, and 6 Mines, with some possibly coming from the Huntington #4 Mine.

### **16.a Roads: Construction, Maintenance, Surfacing**

There are three "primary" classified roads within the Savage Coal Terminal permit area. Primary road #1 extends from the West Gate to truck dumps #1, #2, and #3. Primary road #2 carries truck traffic from the southwest gate to truck dumps #4 and #5. Primary road #3 is the haul road to the refuse pile. All other roads at the site are ancillary. All road surfaces within the disturbed area are in a graded, well compacted condition.

### **19. AVS Check**

The Permittee submitted updated information for the Officers and Directors of the Savage Services corporation on April 26, 2005. Information relative to the removal of former officials is also included. This information has been compiled by the Permittee, with coordination from the Office of Surface Mining. Task ID #2029 has been in the review process since August 30, 2004.

### **20. Air Quality Permit**

A water truck was observed operating through out the disturbed area wetting road surfaces, as well as coal storage pads where mobile equipment was operating.

### **21. Bonding and Insurance**

A surety bond in the amount of \$2,525,000 is in place to ensure the successful reclamation of the property. This amount was re-calculated and approved via the OGM permitting process, (Task ID #2113), on January 31, 2005.

### **22. Other**

To date, the construction of the new shop facility has not been initiated. The OGM permitting/approval process for this project was completed on December 23, 2004.