

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 12, 2005

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor / Task Manager

FROM: Peter H. Hess, Environmental Scientist III / Team Lead / Engineering /

RE: B.T.U. Resource Recovery Plan for Refuse, Savage Services Corporation, Savage Coal Terminal, C/007/022, Task ID #2267

SUMMARY:

The Permittee submitted an application to the Division on June 3, 2005 to permit the recovery of "B.T.U. resource recovery material" from the Savage Coal Terminal refuse pile. The recovered material will be blended with coals stored at the Terminal to create a product meeting the contract specifications designated. The Task ID #2267 application indicates that the final product will be shipped to cement plants for "burned waste utilization".

TECHNICAL ANALYSIS:

OPERATION PLAN

SPOIL AND WASTE MATERIALS

817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Disposal Of Noncoal Mine Wastes

The Task ID #2267 submittal is relative to coal mine waste; this section is not applicable in this review.

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Coal Mine Waste

The coal mine waste storage facility that is located within the disturbed area of the Savage Coal Terminal is an old pile, and same was constructed from material generated by the coal processing plant which still exists at this site. According to Mr. Boyd Rhodes, General Manager of the Terminal, the waste material more than likely came from the Gordon Creek 2, 3, 4, and 6 Mines as well as the Huntington #4 Mine.

The utilization of this waste material has been reviewed once before by the Division, and an approval was received on August 10, 2000 to remove and haul the material to Sunnyside Co-Generation Associates (an electrical generating plant) in Sunnyside, Utah for blending / burning. The Task ID #2267 submittal is not intended to replace that plan, but is an additional method to utilize this material. The utilization of coal mine waste material is a practice which has been implemented at other mines in the Carbon County area for the purpose of enhancing ash-fusion temperature requirements, although that beneficiation has not been specifically addressed within this application.

The waste material received a "No Value Determination" by the USDOJ / Office of Surface Mining on October 28, 2000. However, that determination is relative to abandoned mine lands, which is not relative here.

The USDOJ / BLM /SLO expressed a concern that the material may have a value, based on a report that the material had a BTU value of 10,000. A report prepared by Mr. Don Stephens, a geologist with the BLM in 2002 indicated that the Savage pile material came from the Beaver Creek mines (#'s 3 and 6, and #'s 2,7, and 8, located in Gordon Creek) and the Huntington #4 Mine during the period of 1979 through 1984. These mines have been closed and reclaimed, and the Federal leases have been relinquished. Because of this, there is no Federal Royalty owed on this waste pile, (Please see the E-mail from Stan Perkes, dated 8/11/2005).

A removal and ground control plan was approved for the recovery of the pile by the U.S. Department of Labor / Mine Safety and Health Administration on July 31, 2000.

Refuse Piles

The method which will be used to recover the material from the refuse pile has been approved by the U.S. Department of Labor / Mine Safety and Health Administration. The current configuration of this pile is such that recovery of the material will not leave high vertical banks that would present a danger to workmen in the area, or to machine operators.

Impounding Structures

There are no impoundments associated with this refuse disposal pile.

Burning And Burned Waste Utilization

The material in the Savage waste rock pile will be recovered and blended with coals that are in storage or will be stored at the Savage facility at a ratio that has been determined by the purchase contract. Approximately 15,000 tons of material will be recovered and blended for shipment to cement plants for “burning and burned waste utilization”.

Return of Coal Processing Waste to Abandoned Underground Workings

Not applicable to this submittal.

Excess Spoil:

Not applicable to this submittal.

Findings:

The application meets the minimum regulatory requirements of this section.

RECOMMENDATIONS:

The application should be approved.