



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Dan Guy
Company	Boyd Rhodes
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070022
Inspection Type:	PARTIAL
Inspection Date:	Thursday, September 28, 2006
Start Date/Time:	9/28/2006 2:00:00 PM
End Date/Time:	9/28/2006
Last Inspection:	Wednesday, August 30, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, 80's F.

InspectionID Report Number: 1088

Accepted by: whedberg *OK*
9/29/2006

Permittee: **SAVAGE SERVICES CORP**

Operator: **SAVAGE SERVICES CORP**

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:

Blackhawk Engineering Company notified the Division on September 26, 2006 that surface water sampling information for site CV-1W for the months of June and August 2006 was ready for uploading to the Division water monitoring database. Thus, the Permittee continues to meet the Special Permit Condition included as Attachment "A" of the current State permit.

There are no compliance actions currently pending for the Savage Coal Terminal permit area.

Constructions activities continue relative to the components of the wash plant start up.

The Permittee anticipates start-up of coal washing activities in the very near future.

Inspector's Signature: _____

Pete Hess

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date: Friday, September 29, 2006

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Mr. Guy indicated that the submittal of a design for a small overflow pond which will allow for line draining from the wash plant is to be submitted. The Division recommended that the Permittee also consider submitting an application for a "temporary storage area" adjacent to the wash plant building for "temporary" short-haul placement of refuse generated by the coal washing process. Current projections anticipate a volume of 53 TPH of refuse.

3. Topsoil

The construction of the four fine coal settling ponds which will replace the thickener in the wash plant circuit continues. Topsoil recovery has been completed. The pile has a retention berm around its base perimeter, and a "temporary" topsoil storage sign has been placed. Some subsoil has been recovered and stockpiled. Completion of subsoil recovery is pending. Mr. Guy is in the process of obtaining seed for the hydroseeding of these piles.

4.a Hydrologic Balance: Diversions

The diversion designated as UD-1 has been defined in its new location as part of the Task ID #2613 approval, i.e., proposed expansion of disturbed area. UD-1 lies west of the four proposed settling ponds which are being constructed. A designed berm will separate the settling basins from the undisturbed drainage.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Nielson Construction Company is using scrapers and a track hoe to build the four proposed settling basins for the -28 mesh fine coal material which will be generated as a slurry by the heavy media wash plant circuit. The hoe was cutting the ditch for placement of the PVC feed / return lines which will carry slurry to the ponds and effluent from the ponds back to the wash plant circuit.

4.d Hydrologic Balance: Water Monitoring

As noted above, the Permittee's second quarter water monitoring information was submitted to the Division web site on September 26, 2006. As part of the approval of Task ID #2613 (proposed expansion of permit area), new ground water monitoring wells have been required. A new monitoring site titled "Pond 5" has also been added to the surface monitoring regime.

5. Explosives

Explosives have not been used during the construction activities.

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. Rhodes indicated this day that there is some screened reject on the refuse disposal area pad which will be shipped to Sunnyside Cogeneration Associates for burned waste utilization. This has been permitted/approved by the DOGM for several years.

8. Noncoal Waste

The Permittee is making progress relative to the sorting and disposal of machine components / scrap from the equipment storage area located east of the wash plant building. According to Mr. Rhodes, at least two semi-trailer loads of scrap metal have been hauled from the site. Evaluation and sorting of the remaining material continues.

13. Revegetation

Mr. Guy is making preparation to seed the new topsoil and subsoil piles which are associated with the new construction activities.

16.a Roads: Construction, Maintenance, Surfacing

The new road (PR-13) which accesses the settling basin area has had the access established, but graveling has yet to be completed. Heavy machinery continues to access the area for pond construction activity.

20. Air Quality Permit

The primary road designated as PR-1 (See plate number 3-4, Task ID #2613 approval) had recently been watered. The water truck was being refilled in the wash plant area at the close of today's inspection. Mr. Guy indicated that the new Air Quality Approval Order has been received; the Division requested that this document be submitted as an amendment to the MRP, updating Appendix 11-1. This document basically approves an increase in throughput for this facility to 10 MTPY.