

July 7, 2006

James Jensen, Executive Vice President
Savage Services Corporation
6340 South 3000 East #600
Salt Lake City, Utah 84121

Subject: Proposed Expansion of Disturbed Area, Task No. 2524, Savage Services Corporation, Savage Coal Terminal, C/007/0022

Dear: Mr. Jensen:

The Division has reviewed your application to expand the disturbed area at the Savage Coal Terminal, received on May 16, 2006.

The Division has determined that the information in the plan is inadequate in some areas. A list of the technical deficiencies is enclosed. Before the Division can complete the review, Savage Services Corporation must adequately address the deficiencies.

The initials of the responsible reviewer follow each deficiency. If you have any questions, comments or need additional clarification please contact the individual reviewer.

In order for us to continue to process your application, please respond to these deficiencies by October 7, 2006.

If you have any questions, please feel free to call Dana Dean at (801) 538-5320 or me at (801) 538-5286.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

sm
Enclosure
O:\007022.SAV\FINAL\WG2524\Def2524.doc

DEFICIENCY LIST
Task N. 2524

PHH – Pete Hess (435) 613-1146, ext. 203

DD – Dana Dean (801) 538-5320

JCH – Joe Helfrich (801) 538-5290

PWB – Priscilla Burton (435) 613-1146, ext. 208

WHW – Wayne Western (801) 538-5263

R645-301-528, Handling and Disposal of Coal and Coal Mine Waste, the Permittee must provide a description of the coal fines handling process that will be used to return the mucked material from the settling ponds to the product pile. The Permittee must describe where the coal processing waste from the washing of the Dugout Mine coal will be placed for final disposal. The Permittee must indicate if temporary waste storage areas are needed prior to transportation of this material to its final placement. [PHH]

R645-301-521.165, The location of each topsoil, (subsoil), coal preparation waste...will be clearly shown on a certified map. [PHH]

R645-301-526, the Permittee must submit additional information relative to the design of the minus 28-mesh coal slurry settling ponds. The Permittee must submit an anticipated construction schedule for the building of the four sediment basins. The Permittee must describe provisions for monitoring the structure during and after modification or reconstruction to ensure that the permanent program performance standards are met. This must include a pond maintenance plan. The Permittee must make a showing that the risk of harm to the environment or to public health or safety is not significant during the period of modification or reconstruction. [PHH]

R645-301-513.200, 533.600, the Permittee must submit a discussion relative to settling basin capacity and whether the ponds meet any of the criteria established within 30 CFR 77.216(a). [PHH]

R645-301-521.164, the Permittee must identify each coal storage location on a map. If the settling pond fines are to be allowed to dry in an area adjacent to the ponds, those areas must be depicted on a P.E. certified map. [PHH]

R645-301-244, -301-420; the Permittee must describe the settling pond maintenance / cleaning process, which must include the locations where the mucked material will be allowed to dry prior to re-blending with the wash plant output. The Permittee must state if the additional acreages are provided for in the currently approved air quality approval order. [PHH]

R645-301-527.200; a detailed description of each road...to be constructed, used, or maintained within the proposed permit area. The description must include a map, and appropriate cross sections. [PHH]

R645-301-527.210; the Permittee must submit information relative to the proposed access route, road width, road gradient, road surface, bridges, culverts, and other pertinent road drainage controls. [PHH]

R645-301-534.300 through 534.340; Requirements for Primary Roads. [PHH]

R645-301-358; Protection of Fish, Wildlife and Related Environmental Values. [PHH]

R645-301-527.100; Road classification. [PHH]

R645-301-527.230; Road Maintenance Plan. [PHH]

R645-534.100; Road Use / Construction / Design. [PHH]

R645-534.200; Grade Limits / Width / Surfacing Material. [PHH]

R645-542.600; Reclamation Plan for Roads. [PHH]

R645-301-762; Commitment to Reclaim Upon Determination of No Further Use. [PHH]

R645-534.310; Roads must be located on the most stable available surfaces. [PHH]

R645-534.320; Roads must be surfaced with rock, crushed gravel, asphalt or other material approved by the Division as **being sufficiently durable for the anticipated volume of traffic, and the weight and speed of vehicles using the road.** [PHH]

R645-534.330; Roads must be routinely maintained. [PHH]

R645-534.340; Roads must have drainage controls that are designed, installed, and maintained to sustain vertical soil pressure, the passive resistance of the foundation, and the weight of the vehicles using the road. [PHH]

R645-301-512.200, Plans and Engineering Designs; a design for a primary road requires a certification by a qualified registered professional engineer. As no design has been submitted, this requirement has not been met. [PHH]

R645-301-512.250, Primary Roads; the professional engineer will certify the design and construction...of primary roads as meeting the requirements of R645-301-534.200 and R645-301-742.420. [PHH]

R645-301-526, Mine Facilities; “the permit application will include a narrative explaining the construction, . . . use, maintenance, and removal of the mine facilities”. [PHH]

R645-301-301-528, Handling and Disposal of Coal ... and Coal Mine Waste; the application must describe the settling ponds maintenance program, and how the fine coal material generated by the pond cleaning will be dried and returned to the product pile. The washing of coal will generate coal mine waste; a description of how this waste will be stored and handled is necessary for this application. [PHH]

R645-301-301-536, Coal Mine Waste; the application must state where coal mine waste generated by the washing of Dugout Canyon Mine product will see final deposition. [PHH]

R645-301-521.164 and 521.165, the Permittee must submit a revised “proposed” surface facility map that will depict the proposed locations of the following: a) coal storage / drying locations, b) topsoil / subsoil storage locations, and c) coal mine waste (temporary storage) locations. [PHH]

R645-301-512, Certification. [PHH]

R645-301-513, MSHA Compliance and Approvals. [PHH]

R645-301-521, General Operation Plan. [PHH]

R645-301-526, Mine Facilities. [PHH]

R645-301-527, Transportation Facilities. [PHH]

R645-301-528, Handling and Disposal of Coal / Coal Mine Waste. [PHH]

R645-301-531, General Operational Design Criteria and Plans. [PHH]

R645-301-533, Impoundments. [PHH]

R645-301-534, Roads. [PHH]

R645-301-536, Coal Mine Waste. [PHH]

R645-301-542, et al, the Permittee must submit a reclamation plan for the for coal fines settling basins.

R645-301-512, All backfilling and grading plans/designs must be P.E. certified including final surface configuration maps (R645-301-542.300). [PHH]

R645-301-533, Impoundments; (553.120) “disturbed areas will be backfilled and graded to eliminate all...depressions”. The Permittee must submit a reclamation plan for the four proposed settling basins. [PHH]

R645-301-553, the Permittee must submit additional information relative to how the four proposed fine coal settling basins will be reclaimed, including where the backfill material will come from, how the material will be placed, and to what contours. What method will be used to achieve compaction? [PHH]

R645-301-542, No maps or plans have been provided relative to a reclamation plan. [PHH]

R645-301-526, Roads, et al., the Permittee must provide additional information relative to the reclamation of the settling pond access road. [PHH]

R645-301-542, the Permittee must provide additional information (maps) relative to reclamation and the four proposed settling ponds. [PHH]

R645-301-121.200, The Permittee must clearly label all features in Figures 7-4, and 7-5 or include them in the legend • the Permittee should correct the typographical error on page 7-66 where it says that hydrologic soil groups were determined from an “oils” map. • The Permittee must clarify the table found on page 7-67, so that the reader may understand what each number represents. • The Permittee should correct the label for total runoff on Table 7-17 (p7-69) to say acre-ft, not acre/ft. • The Permittee needs to better explain why the total number of acres on Table 7-17 in the amendment is different than listed on Table 7-17 of the approved MRP (perhaps a better depiction of how the Co-op road and the Covol plant have “cut-off” the B drainage on Figure 7-4 or another figure). • The Permittee must make it clear on page 7-76 whether the water usage mentioned includes the preparation plant operations, or change the amount to include them. • The Permittee must either change the reference to Plate 7-2 found on page 7-77, or update Plate 7-2. The undisturbed area diversion is not clearly marked on Plate 7-2, nor has plate 7-2 been updated with this amendment (which proposes to move the ditch). • The Permittee must clear up all references to Figure 7-2, which does not appear in the amendment or the approved MRP. • The Permittee must update the characteristics of the undisturbed drainage ditch (length, etc.) found on p. 7-77 in light of the re-alignment of said ditch. [DD]

R645-301-728, The Permittee must provide a new PHC, addressing any potential hydrologic consequences that may result from the thickener ponds, and all other current operations (the PHC has not been updated since 1983). [DD]

R645-301-731.210, The Permittee must re-evaluate the adequacy of the groundwater-monitoring plan based on the updated PHC. The Permittee was allowed to discontinue all groundwater monitoring in 1998, based partially on the assertion that the Permittee had no plans to restart the preparation plant or store refuse on-

site. Since this has changed, the Division feels strongly that some form of groundwater monitoring is important to protect the hydrologic balance. [DD]

R645-301-731.220, The Permittee must re-evaluate the adequacy of the surface-water monitoring plan based on the updated PHC. [DD]

R645-301-731.300, The Permittee must address how the fines that will be settled in the new ponds will be tested for acid- or toxic-forming potential, and if found to be acid or toxic, how they will be treated/buried and when. [DD]

R645-301-742.220, The operator must clearly demonstrate that the sedimentation pond can hold the water and sediment volume from the 10-year 24 hour storm and the “emergency” plant discharge, providing adequate detention time to allow the effluent from the pond to meet Utah and federal effluent limitations. Otherwise a separate pond or facility must be provided to capture and contain the “emergency” plant discharge. [DD]

R645-301-121.200, 301-733, 301-742.220, and 301-743, The Permittee must remove all information from the MRP pertaining to ponds no longer in existence, or include appropriate information for Ponds 2, 3, and 4 in the amendment. The Permittee must ensure that all information (including design calculations and certifications) required in the Rules is included for each pond in either the MRP or the amendment. [DD]

R645-301-733, and 743, The Permittee must include all required design information for the thickener ponds. The designs must be certified. [DD]

R645-301-722.500, and 301-141, The Permittee must set Figure 7-4 at a scale of 1:6000 (1”=500’) or larger. The map as presented is at too small a scale to be measured and recorded to take into account natural variations in slope, to provide accurate representation of the range of natural slopes and reflect geomorphic differences of the area to be disturbed. [DD]

R645-301-512.120, and 301-141, The Permittee must include all surface facilities and installations (including the proposed thickener ponds) on one, consolidated map at a scale or 1:6000 (1”=500’) or larger. It would be helpful if this map also included adjacent facilities. [DD]

R645-301-533.714 and 301-764, The Permittee must include reclamation plans for the thickener ponds and newly disturbed area, including maps and timetables. [DD]

R645-302-321.210 and R645-301-140, The Permittee must update Plate 6-1, which is essential to the alluvial valley floor discussion and set it at a scale no smaller than

1:12000 (1" = 1000'). The map should include a clear outline of the permit area, and clear township/range/section boundaries in addition to geologic units. Besides the permit and other adjacent areas, Sections 1, 2, and 12 of T15S, R10E should be included. The Division may require further information regarding the alluvial valley floors, based on a review of the updated Plate. [DD]

R645-302-324.300, The Permittee must re-establish (and continue until bond release) a monitoring system on the alluvial valley floors adjacent to the permit area. [DD]

NOTE: It may be helpful for the Permittee to include a plate showing county zoning in the designated AVF, and what type of activity is presently happening on the AVF. [DD]

R645-301-830.140, The Permittee must provide detailed reclamation cost estimates that are based on the reclamation plan. The reclamation cost estimates must show items such as, but not limited to, cubic yards, haul distances, grades and type of equipment used. The Division does not accept per acre cost. [WHW]

R645-301-830.110, The Permittee must include a copy of the Division's reclamation cost estimate in the MRP. The Division will provide either a paper or electronic copy of the reclamation cost estimates. [WHW]

R645-301-121.200, Please correct the legend on Soils Plate 8-2 to read Sa = Saltair silty clay loam. [PWB]

R645-301-222, Site specific soils information such as that required by R645-301-222 must be obtained for the 6.61 acre disturbed area. [PWB]

R645-302-321.230, Figure 7-6 "Location of Irrigation Canals" is dated 5/16/83, please provide an updated Figure. •The application must include a map of the adjacent farmlands. [PWB]

R645-301-234, Appendix 8-1 and Table 8-2 and Table 8-7 must be updated with current as-built information for the subsoil and topsoil stockpiles created in 2002 (Plate 3-2 is a surface facilities map, not an as-built as suggested on page 8-34. Page 8-39 of the application indicates that Plate 8-2 provides an as-built, but it pre-dates the 2002 construction.) • The topsoil salvaged prior to pond construction should be separately stockpiled, adjacent to the pond construction. [PWB]

R645-301-244, Given that the climate information indicates that most of the precipitation at the site occurs August through September and that past experience with the soils at this site indicates that seeding must immediately follow topsoiling to allow good seed/soil contact, please modify the application in Sec. 3.5.1, Sec.

3.5.2 and Sec. 3.5.5.2 to indicate that seeding will immediately follow topsoil placement regardless of season, whether on the stockpile or at final reclamation. [PWB]

R645-301-320, section 9.4 page 9-19b of the MRP needs to include a current list of threatened and endangered plant species for the proposed disturbed area and a statement regarding the presence or absence of any of the listed species. [JCH]

R645-301-322, Section 9.4 page 9-19b of the MRP needs to include a current list of threatened and endangered wildlife species for the proposed disturbed area and a statement regarding the presence or absence of any of the listed species. [JCH]

R645-301-322, -301-333, -301-342, -301-358, Section 9.4 page 9-19b of the MRP needs to be updated to include a current list of Threatened and Endangered plant and wildlife species for the proposed lease addition areas and a short narrative about the existence of those species listed for the area where the proposed activities are located. This deficiency was noted in the previous section. The application also needs to include calculations that demonstrate the amount of water consumed from mining activities in acre-feet per year. This information is required for the Colorado Fish Recovery program to ensure compliance with the Endangered Species Act. [JCH]

R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284, A brief narrative describing the reclamation of the ponds should be added to page 3-54b section 3.3.5.3.1 of the MRP. Page 3-62b should be revised to include the lowland reference area. [JCH]