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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
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Thursday, May 17, 2007
Start Date/Time:	5/17/2007 11:00:00 AM
End Date/Time:	5/17/2007 3:00:00 PM
Last Inspection:	Thursday, April 26, 2007

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny and warm; 80's F.

InspectionID Report Number: 1299

Accepted by: whedberg
6/7/2007

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:

The Permittee is current relative to the quarterly surface and ground water monitoring requirements which are submitted electronically to the DOGM data base. The two new ground water monitoring wells which were installed as part of the disturbed area expansion and start up of the coal wash plant were monitored for the first time on February 20, 2007. The Permittee continues to meet the Special Condition of the State permit which is included under Attachment "A".

There are no pending compliance actions.

Inspector's Signature: _____

Pete Hess

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date _____

Monday, May 21, 2007

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 type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 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 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Signs and Markers

The Permittee has installed new markers to replace those which had disappeared marking the Price River pipeline corridor (20-foot ROW) which runs from the River to the site. Additional markers have also been installed to better delineate the pump house area (BTCA area #6, 0.69 acres). The ROW crosses land associated with the RailCo loading facility, as well as some privately owned farms. The 20-foot ROW is classified as a Small Area Exemption for sediment control analysis; much of the surface adjacent to this ROW consists of barren Mancos shale.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Guy performed the first quarter of 2007 impoundment inspections for the site's five sediment ponds and four fine coal slurry cells March 27, 2007. All were noted as being stable and there were no hazards reported by Mr. Guy's inspection. Cells #3 and #4 are not being utilized by the wash plant to date.

4.d Hydrologic Balance: Water Monitoring

The Permittee's authorized water monitoring representative provided data for the two new ground water monitoring wells (S-1-GW and S-2-GW) from data obtained during the first quarter of 2007 (February 20, 2007). Monitoring for the site's other three points was also submitted.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit for the Savage site remains in effect until April 30, 2008. The discharge monitoring report for the single outfall (001A) was submitted to the appropriate government agencies on May 7, 2007. A "no flow" report was submitted.

7. Coal Mine Waste, Refuse Piles, Impoundments

The first quarter 2007 refuse pile inspection for the Savage disposal site was conducted by Mr. Guy on March 27. All slopes appeared to be stable. The pile is being reshaped to establish positive drainage to the ditches. The required P.E. certification was performed on the same day as the inspection. No compliance issues were noted this day.

20. Air Quality Permit

The Permittee received a new air quality approval on August 16, 2006.

21. Bonding and Insurance

The Permittee provided the Division with new verification of general liability insurance coverage on March 27, 2007. The Marsh certificate of insurance provides adequate coverage amounts for general aggregate and each occurrence categories. Coverage for damage from explosives usage is provided. The cancellation clause has been amended to meet the requirements of the R645 Coal Mining Rules.