

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

July 20, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor, Task Manager *pal*

FROM: Peter Hess, Environmental Scientist III / Reclamation Specialist / Engineering *PHH by an*

RE: Proposed New Conveyor, Appendix 3-9, Silo Belt Feed Conveyor, Savage Services Corporation, Savage Coal Terminal, C/007/0022, Task ID # 2829

SUMMARY:

The Permittee's consultant, Blackhawk Engineering Company, hand delivered a copy of a proposed permit amendment which would **replace a series of mobile conveyor belts** located adjacent to Conveyor #6 (the rail loading / silo charging belt) with a **fixed foundation, rigid frame conveyor belt**.

Three copies of this application are being delivered to Division headquarters via the USPS.

This conveyor installation will take place within the current disturbed area acreage. There will not be any topsoil recovery involved, as the area has been utilized for coal mining operations for decades. There will not be any changes to the surface drainage control plan.

The in place UPDES and Air Quality Approval Orders are adequate, and no revision to either of those permits is necessary for this installation.

Again, this new fixed point conveyor is merely replacing several mobile conveyors currently in use at this identical location.

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

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Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

The Permittee is proposing to replace several mobile rigid frame conveyors at the Savage site with a fixed mount, permanent installation. Rigid frame conveyor structures purchased from Plateau Mining Corporation's Willow Creek Mine will be utilized in this construction. Three concrete foundations will be constructed to mount the conveyor tailpiece, drive unit, and head roller / belt transfer to the #6 conveyor. Appendix 3-9, page 1 indicates that each pad will be eight feet long, eight feet wide and two feet thick (128 cubic feet / pad (approximately 5 cubic yards per pad). Pad details are depicted in the included drawing A 3-9-1. #6 rebar will be used for strength. Mr. Dan Guy, Utah registered professional engineer, has certified the pad(s) design as well as drawing # A 3-9-1.

The installed conveyor will have a 48 inch conveying width and a length of 375 feet.

Revised / proposed Plate 3-2, SAVAGE COAL TERMINAL FACILITY MAP shows the location of conveyor #13 and how its proposed 375 foot length will intercept conveyor #6, the silo belt feed conveyor. Plate 3-2 is P.E. certified by Mr. Dan Guy, Utah registered professional engineer.

Findings:

The application meets the minimum regulatory requirements of the R645 Coal Mining Rules and it should be approved.

AIR POLLUTION CONTROL PLAN

Regulatory Reference: 30 CFR 784.26, 817.95; R645-301-244, -301-420.

Analysis:

This permit amendment will not make changes to the coal processing throughput of the Savage Coal Terminal which are significant enough to require an increase or other type of modification to the currently approved air quality approval order.

Findings:

The minimum regulatory requirements of this section are being met by the currently approved air quality approval order issued by the Utah Division of Air Quality.

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TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Topsoil Removal and Storage

The conveyor #13 construction will occur in an area of the current disturbed area acreage which has been utilized for coal processing, storage and shipping activities for many years. Approximately 150 yards of subsoil will be removed to construct three concrete footers; this subsoil more than likely contains a high percentage of coal material.

Findings:

This section is not applicable to this modification / addition to the surface facilities.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

General

The addition / construction of the #13 conveyor will not require any changes to the currently approved surface drainage control plan. All intercepted runoff from this area will continue to report to a sediment pond and be treated prior to discharge or re-use within the coal wash plant facility.

Findings:

The current findings for this section of the R645 Coal Mining Rules as contained in the Master Technical Analysis for the C/007/022 Savage Coal Terminal permit is adequate to address this new permit application.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

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Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

The Task ID # 2829 application contains a proposed / revised Plate Number 3-2, SAVAGE COAL TERMINAL FACILITY MAP, which depicts the location of conveyor #13, and its proximity to conveyor #6, the train loading silo charging conveyor. The entire surface facility is depicted on this Plate.

Certification Requirements

PLATE 3-2 is P.E. certified by Mr. Dan Guy, Utah registered professional engineer. The requirements of R645-301-512.120 have been met. Conveyor #13 is an addition to the Savage coal loading and processing facility.

Findings:

The minimum regulatory requirements of this section have been met.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

Appendix 3-9, Silo Belt Feed Conveyor, pages 1 and 2 contains information relative to the cost involved with the reclamation of the proposed conveyor #13 structure.

The 375 foot by 5 foot by 5 foot rigid steel frame conveyor structure will be removed and hauled from the site. The estimate used to dispose of the steel portion of conveyor is 25 cents per cubic foot, for a total of \$ 2,343.75.

\$ 0.25 per cubic foot has been confirmed as acceptable for steel disposal by reviewing APPENDIX 2-4, Reclamation Cost Estimate for the Savage Coal Terminal, which was last updated / incorporated on January 31, 2005. That estimate has been adjusted to 2007 dollars.

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The 128 cubic yards of #6 rebar reinforced concrete will be disposed of on site, by placing the three involved volumes in sediment pond #5 during the final reclamation of this site. The Permittee estimates that a disposal cost of \$21.05 per cubic yards is adequate to demolish, remove, haul and effectively dispose of the three footers. This cost / CU YD has been confirmed as acceptable by reviewing APPENDIX 2-4, Reclamation Cost Estimate for the Savage Coal Terminal, which was last updated / incorporated on January 31, 2005. That estimate has been adjusted to 2007 dollars. The total involved cost for the demolition of the footers is estimated to be \$ 299.33.

The total involved cost for the complete demolition of conveyor #13 is estimated at \$ 3,086.68.

Form of Bond

Determination of Bond Amount

The projected reclamation cost for conveyor #13 is estimated at \$ 3,086.68. The reclamation cost for the Coal Terminal facility as it currently exists is \$ 2,412,000.

The Savage Coal Terminal is presently bonded in the amount of \$ 2,525,000 in 2007 dollars. Thus an excess of \$ 109,913 is in place to cover this \$ 3, 086.68 reclamation cost for conveyor #13.

Findings:

This section meets the minimum requirements of the R645 Coal Mining Rules.

RECOMMENDATION:

Task ID # 2829 should be approved.