



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:	COMPLETE
Inspection Date:	Thursday, May 29, 2008
Start Date/Time:	5/29/2008 8:50:00 AM
End Date/Time:	5/29/2008 2:30:00 PM
Last Inspection:	Thursday, April 17, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny and warm; 80's F.

InspectionID Report Number: 1666

*Accepted by: jhelfric*  
6/2/2008

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 DOGM electronic water monitoring data base contains uploaded information for the fourth quarter of 2007 for the Savage Coal Terminal permit area. The Permittee is current relative to this Special Condition of the current State permit, as contained in Attachment "A".  
 Blackhawk Engineering Company, representing the Permittee, submitted a revised / updated R645 format copy of the Coal Terminal mining and reclamation plan on April 9, 2008. The Division is currently reviewing that application; a due date of June 9, 2008 has been assigned.

Inspector's Signature:

Date

Monday, June 02, 2008

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

With the exception of the new mining and reclamation plan review, there are no other pending permitting actions.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The first quarter impoundment inspections for the sites five sediment containments and four fine coal slurry impoundments were conducted on March 24, 2008 by Mr. Dan Guy, P.E. None of the impounding structures were reported as showing signs of instability, erosion or other hazardous conditions. As observed this day, no outfall was occurring from pond #6, which is the UPDES discharge point reporting to the unnamed drainage thence the Price River. Ponds 1, 2, and 3 were capable of containing the design event; pond #1 was receiving some flow from the coal wash plant. This is a permitted activity.

**4.d Hydrologic Balance: Water Monitoring**

There was no flow reporting from the permit area. A review of the first quarter of 2008 water monitoring field notes revealed the following; CV-15-W did not flow during January, February, or March of 2008. Ground water monitoring well S-1-GW was reported as dry on March 27, 2008. S-2-GW reported water at a depth of 13.38 feet (6,121 feet) on March 27, 2008.

**4.e Hydrologic Balance: Effluent Limitations**

The Permittee received a UPDES permit renewal for the Coal Terminal site, effective May 1, 2008. Same will remain in effect through April 30, 2013.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

Mr. Guy conducted the first quarter of 2008 inspection for the waste rock disposal site on March 24, 2008. All slopes were reported as stable; all drainage ditches were functioning as designed, and all berms had been restored. Mr. Guy certified the inspection report on the same day.

**13. Revegetation**

The Permittee needs to evaluate the topsoil / subsoil piles which were developed for the fine coal settling pond construction. The piles show little sign of developing the required protective cover crop. The Permittee may want to consider another method of protecting the resource from wind and water erosion. It appears at this point that little or no erosion is occurring at this time. Water harvesting techniques were utilized during the construction of these piles.

**20. Air Quality Permit**

The Permittee has recently received a corrected air quality approval order. AO#DAQE-AN0117930007-08 is the current, approved document issued by the Utah Division of Air Quality. Haul roads about the site had recently been watered, and the water truck was being refilled during the inspection.

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**21. Bonding and Insurance**

The general liability insurance coverage has been renewed for coverage through April 1, 2009. All insurance requirements are being met.