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

**Inspection Report**

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, January 20, 2009
Start Date/Time:	1/20/2009 9:00:00 AM
End Date/Time:	1/20/2009
Last Inspection:	Thursday, December 18, 2008

Inspector: Pete Hess, Environmental Scientist III  
Weather: Sunny, war. Temperature above freezing.  
InspectionID Report Number: 1890

Accepted by: jhelfric  
2/23/2009

Permitee: **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

153.46	Total Permitted
132.50	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 Division electronic water monitoring data base has the fourth quarter 2008 surface and ground water monitoring information inserted in the pipeline. Uploading of this data by DOGM personnel will complete the requirement of the current State permit included in Attachment "A" (submittal of quarterly water monitoring reports in an electronic form). Soft ground conditions exist where snow melt runoff is being absorbed.

Inspector's Signature:

Date Tuesday, January 20, 2009

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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input 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 checked="" 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 checked="" 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"/>

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

Mr. Guy completed the fourth quarter of 2008 impoundment inspections for ponds # 1, 2, 3, 5, and 6, as well as coal processing ponds #1, 2, 3, and 4 on November 11, 2008. Slurry cell #3 was re-certified at that time, because clean-out had been completed prior to the November inspection date. All ponds are incised, and same were reported as stable. As observed this day, ponds 1 and 2 appeared near capacity, and were frozen. Pond 6 was at capacity, although it was not over flowing.

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

All required quarterly electronic submittals are current. 4th quarter 2008 water monitoring field data was reviewed; water was reported in monitoring well S-2-GW at a depth of 13.4 feet. S-1-GW was reported as dry. CV-15-W was reported as "no flow" during the 4th quarter period. CV-1-W was reported as 4.4 feet to the surface.

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

Discharge monitoring reports for UPDES outfall 001A (pond #6 open channel spillway to un-named ditch, thence to the Price River) were reviewed for the months of October, November and December of 2008. No outfalls occurred during that period. Pond 6 was observed at capacity this day, but no outfall was occurring.

#### **5. Explosives**

The general liability insurance coverage provides for explosive damage coverage. There are no magazines at this site.

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

The fourth quarter 2008 waste rock pile inspection was conducted by Mr. Dan Guy on November 11, 2008. The pile was noted as appearing stable. Ditches and berms were reported as O.K. The Permittee intends to push the pile farther to the south in order to relocate pond #5. This permitting action is still awaiting approval to proceed from Savage management.

#### **8. Noncoal Waste**

There is some steel scrap and old rail ties and other miscellaneous wood items adjacent to the pump house on the NE corner of the permit area that needs to be cleaned up. Mr. Guy indicated he would have the Permittee address these items.

#### **17. Other Transportation Facilities**

The Permittee has installed a small mobile truck dump with elevating conveyor at the site. This unit is being used for blending purposes. The unit is powered by a portable diesel generator.

#### **19. AVS Check**

There have not been any changes made in the Savage Services Corporation senior staff.

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**20. Air Quality Permit**

Paved haul roads and other operational areas were being watered during today's inspection.

**21. Bonding and Insurance**

A surety bond in the amount of \$ 2,525,000 is held by the Division for the Savage Coal Terminal permit area. The general liability insurance policy remains in effect through April 1, 2009. Coverage amounts are adequate.