



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	John M. Walters
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, October 28, 2009
Start Date/Time:	10/28/2009 9:00:00 AM
End Date/Time:	10/28/2009 12:00:00 PM
Last Inspection:	Thursday, September 03, 2009

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast, cold; blowing flurries.

InspectionID Report Number: 2170

Accepted by: jhelfric

10/29/2009

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

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:

Second quarter 2009 water monitoring information for the Savage Coal Terminal permit area has been uploaded into the DOGM permanent data base. The Permittee continues to meet this Special Condition of the Utah permit issued by the Division.

Inspector's Signature:

Pete Hess

Date Wednesday, October 28, 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 checked="" 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 checked="" 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 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 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"/>

3. Topsoil

The Permittee, through Blackhawk Engineering Company, is preparing to submit a four species seed mix for application on the topsoil and subsoil piles located adjacent to the four fine coal settling basins. Dr. Patrick Collins, Mt. Nebo Scientific, has recommended the four species selected. The currently approved temporary seed mix has failed to establish the protective cover required under R645-301-234.230. Upon approval, hand broadcasting of the four species mix will occur.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Guy conducted the 3rd Quarter and Annual Impoundment Inspections and Certifications for the sites five sediment impoundments and four fine coal settling basins on September 21, 2009. There were no signs of instability, or erosion observed during that inspection. All sediment ponds had at least 0.12 Acre-feet of sediment storage capacity remaining below the 60 % cleanout elevation. As observed this day, slurry cell #3 was being cleaned and the material was being returned to a product pile. Cell #4 is scheduled for cleaning. Cells #1 and #2 are active. All reports received certifications on the day of the inspection.

4.d Hydrologic Balance: Water Monitoring

Only two monitoring points, CV-1-W and S-2-GW reported water quality data for the 2nd quarter of 2009. All other monitoring points were reported as dry or no flow. No flow was observed at UPDES outfall #001 (Pond 6 overflow ditch) this day.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit remains in effect through April 30, 2013. Discharge monitoring reports for the months of July, August and September 2009 at outfall #001 were all reported as "no discharge".

7. Coal Mine Waste, Refuse Piles, Impoundments

The Permittee continues to recover and ship the material in the coal refuse pile to Sunnyside Cogeneration Associates. Mr. Walters estimates that the entire refuse volume will be gone in approximately two years. The 3rd quarter waste rock pile inspection was performed by Mr. Guy on September 21. All diversions are capable of functioning; there is no water being retained on the pile. There area where material recovery is occurring is shaped to prevent building of highwalls. The MSHA ID sign was observed at the top of the refuse pile access.

9. Protection of Fish, Wildlife and Related Environmental Issues

A red fox was observed climbing the northern outslope of the refuse pile facility. No other wildlife was seen. A new spill prevention and countermeasure plan and storm water pollution prevention plan has been certified by Mr. Guy as of April 29, 2009. The tamarisk identified inside the disturbed area perimeter have been sprayed with herbicide; most appear to have died.

17. Other Transportation Facilities

The Permittee recently completed the re-leveling, ballasting and compaction of the rail loading spur at the facility. Several rails were also changed out.

20. Air Quality Permit

Although very cold temperatures prevailed, the Permittee continues to operate the facilities water truck to minimize fugitive road dust. The latest Air Quality approval order was approved on May 15, 2008.

21. Bonding and Insurance

The current general liability insurance remains in effect through April 1, 2010. Coverage amounts are adequate. Explosives coverage is provided, although the facility has no explosive or detonator storage magazines at the site. The current bond amount for this site is \$ 2,525,000. The surety, Liberty Mutual Insurance Company, has an A.M. Best rating of "A", as of June 30, 2009. The disturbed area is 132.5 acres.