

OK



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

# Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, March 22, 2011
Start Date/Time:	3/22/2011 1:15:00 PM
End Date/Time:	3/23/2011 11:00:00 AM
Last Inspection:	Thursday, February 24, 2011

Representatives Present During the Inspection:	
OGM	Pete Hess
Company	Garth Nielsen

Inspector: Pete Hess

Weather: Mostly sunny; 30's F. Moderate wind.

InspectionID Report Number: 2688

Accepted by: jhelfric

3/28/2011

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:

Mr. Vic Fausett represented the Permittee during today's instantaneous field inspection.  
All snow has melted off the site.

RECEIVED

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DIV. OF OIL, GAS & MINING

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date

Wednesday, March 23, 2011



**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 checked="" 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 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 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 checked="" 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"/>

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

The current DOGM permit for C/007/022 remains in effect through August 6, 2014.

**4.a Hydrologic Balance: Diversions**

The Permittee has initiated spring maintenance activities and is in the process of re-defining all of the ditches on the site. Two diversions were identified as needing to have culvert inlets straightened; these are identified as the inlet to C-12, and the inlet to C-15, which is located in the NE corner of the permit area. Both culverts had been damaged by machinery (See Plate Number 7-2, Hydrology Map, from the MRP).

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

The 4th Quarter impoundment inspections were conducted on November 3, 2010. No safety or compliance issues were identified with any of the impounding structures. Mr. Fossatt stated that slurry cell #1 was scheduled for cleaning the week of March 27, 2011.

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

4th Quarter 2010 water monitoring data has been uploaded to the permanent data base. Outfall 001 (CV-15-W) had a flow through the spillway, but the volume saturated into the ground along the RR tracks just north of the permit boundary. Data is in the data base for this sample. Data was also reported for the ground water monitoring well south of pond 5 (S-2-GW) for November 17, 2010.

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

The current UPDES permit for this site remains in effect through April 30, 2013. The SPCC plan was last certified by Mr. Dan Guy, P.E., in March of 2010. Discharge monitoring reports for the month of January 2011 were reviewed. Outfall 001 (open channel spillway to un-named ditch, thence to the Price River) was reported as a "no flow" during the 31 days in January.

**5. Explosives**

There are no explosive or detonator storage magazines on location.

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

The 4th Quarter 2010 refuse pile inspection was conducted on November 3, 2010. Loading and hauling of the material to Sunnyside Co-gen was not occurring this day.

**16.a Roads: Construction, Maintenance, Surfacing**

The professional engineers certification for the primary haul roads at the Savage site was last performed on April 23, 2004.

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**20. Air Quality Permit**

The air quality permit for this location was issued May 15, 2008. Water applications were being made during today's inspection on the paved roads as well as the unpaved operational areas to suppress fugitive dust.

**21. Bonding and Insurance**

The Permittee provided the Division with a general liability insurance re-newal form on March 21, 2011 from Marsh USA Risk and Insurance Services. The coverage will automatically re-new on April 1, 2011. Coverage amounts for each occurrence and general aggregate categories are adequate. Coverage for explosives damage is not specifically excluded. The cancellation clause meets the Division notification requirements contained within the policy. The posted bond amount to ensure reclamation of this site is \$ 2,525,000. The surety (Liberty Mutual Insurance Company) has an A.M. Best rating of "A", as of December 31, 2010.