



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

OK

Inspection Report

Permit Number:	C0070022
Inspection Type:	COMPLETE
Inspection Date:	Monday, September 26, 2011
Start Date/Time:	9/26/2011 7:00:00 AM
End Date/Time:	9/27/2011 9:00:00 AM
Last Inspection:	Wednesday, August 17, 2011

Representatives Present During the Inspection:
OGM Pete Hess

Inspector: Pete Hess

Weather: Clear, cool, 60's F.

InspectionID Report Number: 2871

Accepted by: jhelfric

10/6/2011

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:

Mr. Vic Fausett represented the Permittee during today's inspection.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date

Tuesday, September 27, 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 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 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 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 checked="" 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"/>

4.a Hydrologic Balance: Diversions

Ditch CD-6 located east of the fine coal settling ponds had to be dug up to repair a broken PVC fresh water line. The repair was pending during today's inspection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The second quarter impoundment inspections were performed by Mr. Dan Guy, P.E., on June 30, 2011. According to Mr. Fausett, Mr. Guy had performed the 3rd quarter / annual inspections on September 15th. No compliance issues were noted during today's inspection relative to the sediment ponds.

4.d Hydrologic Balance: Water Monitoring

Second quarter 2011 surface and ground water monitoring data has been inserted into the DOGM data base pipeline. UPDES outfall #001 (pond 6 open channel spillway to un-named ditch thence to the Price River) was reported as "no flow" during the months of April, May and June, 2011. Well S-2-GW, located south of Pond #5 was sampled prior to today's inspection and the analytical results for oil and grease were reported at < 5 mg/l. The well will be re-sampled for oil and grease in October, and November (required annual sampling). Oil and grease levels were reported as being unusually high in the January, February, and April 2011 samples.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit for the SCT site remains in effect through April 30, 2013. Outfall 001 was not flowing this day. The current SPCC plan was last certified on March 4, 2010; Mr. Fossat is the SPCC co-ordinator for the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

Ditch CD-13 which carries runoff from the refuse pile into ditch CD-7 thence to pond #5 needs more work to define it so the ditch will flow. At present, waste rock butts against the south edge of the ditch, and coal product butts against the north side. The space is inadequate to get machinery through to effectively define the ditch. The 3rd Quarter 2011 waste rock pile inspection was conducted on September 15th. Reporting documents are pending.

9. Protection of Fish, Wildlife and Related Environmental Issues

No wildlife was observed during today's inspection.

16.a Roads: Construction, Maintenance, Surfacing

The P.E. certification of the "as-builts" was completed by Mr. Dan Guy, P.E. for the following three roads on April 23, 2004; 1) West Gate to truck dumps #1, #2 and #3. 2) The SW gate to truck dumps 4 and 5, and 3) the refuse haul road. The P.E. stamp is signed and dated by Mr. Guy.

18. Support Facilities, Utility Installations

The wash plant is operating 4 days a week, 10 hours per day.

20. Air Quality Permit

The operational paved haul roads had been watered prior to today's inspection. A water truck was parked on the pump house concrete pad being re-filled. The current air quality approval order (DAQE-AN0117930007-08) was approved on May 15, 2008.

21. Bonding and Insurance

The current general liability coverage remains in effect through April 1, 2012. There are no explosive or detonator storage magazines at the site, although insurance coverage is provided for damage incurred from the use of explosives. The reclamation bond posted amounts to \$ 2,525,000.00. The surety is Liberty Mutual Insurance Company, policy # 965-003-641.