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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070022
#3768
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June 29, 2011

Garth Nielsen, General Manager
Savage Services Corporation
2025 East 5000 South
Box 1001
Price, Utah 84501

Subject: 2010 Annual Report Review Completion, Savage Coal Terminal, C/007/0022, Task ID #3768

Dear Mr. Neilson:

The Division staff has completed the review of the 2010 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 29, 2011.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure

cc: Price Field Office

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Annual Report

Date 6/29/11

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Savage Services Corporation	Mine Name	Savage Coal Terminal
Permit Number	C/007/0022	Permit expiration Date	2014-08-06
Operator Name	Savage Coal Terminal	Phone Number	+1 (435) 637-5664
Mailing Address	P.O. Box 1001	Email	garthnielsen@savageservices.com
City	Price	State	UT
		Zip Code	84501

CERTIFIED REPORTS

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input type="checkbox"/> Not Required	
Refuse Piles	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Included in Appendix A
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Included in Appendix A
Other:		

OPERATOR COMMENTS

Included in Appendix A

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

The annual certifications for the five sediment impoundments and the four settling basins were conducted during the third quarter of 2010 (August 23, 2010) by Mr. Dan Guy, Utah registered P.E. Mr. Guy did not identify any structural weaknesses, erosion, or potential safety hazards for any of the nine impounding structures. The P.E. certifications and seal stamps meet the requirements of R156-22-601. The ponds are cleaned as needed, and re-certified in order to meet the requirements of R645-301-514.312. All certifications for the impounding structures are submitted in the Annual Report in Appendix A. Quarterly inspections for 2010 of the waste rock pile are included in Appendix A as well. The refuse pile is being recovered and truck hauled to Sunnyside Co-Generation Associates for burning. No signs of instability were reported; no water was impounded on the pile. Positive slopes were maintained, which reported to ditches from the top and along the toe of the north side of the pile. All pile runoff reports to pond #5. All slopes were reported as stable. All four refuse inspections are P.E. stamped by Mr. Guy, and meet the seal stamp requirements of R156-22-601, Utah Division of Professional Licensing.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: NOXIOUS WEED CONTROL

Objective: To control invasive species in and adjacent to the disturbed area.

Frequency: annually

Status: annually

Reports: annual

Citation: Volume 1, Section 3.4.5.4 or .5, page 3-62a

OPERATOR COMMENTS

In 2010 Pete Hess had us take out one Russian Olive tree and two or three Tamaris Trees in our Wash Plant Ponds. There were no noxious weed present.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

The permittee should obtain a list of noxious weeds from the county and invasive species from DWR and determine if any others besides russian olive and tamarisk are present.

Title : IDENTIFICATION OF ACID/TOXIC PROPERTIES OF WASTE STREAM FROM SAVAGE PREPARATION PLANT STORED ON SITE LONGER THAN 30 DAYS.

Objective: Provide documentation of chemical characteristics of process waste generated on site through analysis of parameters as described in Tables 4 and 8 of the DRAFT 2005 Division Guidelines

Frequency: Sample every 5,000 tons generated

Status: Ongoing

Reports: Laboratory analysis sheets provided quarterly and in Annual Report.

Citation: MRP, Vol. 1, Chap. 5, Appendix 5-1.

OPERATOR COMMENTS

N/A. Remove from commitment list

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Priscilla Burton 4-19-2011. Appendix 5-1, Proposed Removal of Main Refuse Pile, describes the quality of the waste coal and its transfer to Sunnyside Cogeneration for use as fuel. App. 5-1 does not refer to processing of waste. This commitment should be removed.

Title : WASTE STREAM FROM PROCESSING PLANT.

Objective: Provide documentation of chemical characteristics of process waste returned to site through analysis of parameters described in App. 3-6 page 1.

Frequency: Sample every 5,000 tons returned to site

Status: Ongoing, report req. if waste is returned to site. Or, state if reported in Dugout annual report

Reports: Laboratory analysis sheets (May be submitted in Dugout Report).

Citation: MRP, Vol. 1, Chap. 5, Appendix 5-2

OPERATOR COMMENTS

N/A. Remove from commitment list

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Priscilla Burton, 5-17-2011. Appendix 5-2 B.T.U. Resource Recovery Plan for Refuse Material describes transfer of refuse to a cleaning facility and sampling of processed "reject" generated by the cleaning facility, prior to its return to the Savage Refuse pile. Savage met their annual reporting requirements, because there was no return of processed waste to the pile during 2010. Appendix A of the Annual Report indicates that pond fines were placed in the refuse pile and material was removed from the West and North ends of the refuse pile in 2010. This commitment should not be removed from the Commitment List, although the reference to App 3-6 p. 1 is incorrect and should be removed.

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the Status item. These commitments are included for information only, and do not currently require action.

TITLE: FINAL RECLAMATION SOIL TESTING

OBJECTIVE: Ensure vegetation establishment

Frequency: At final reclamation

Status: at reclamation

Reports: Discussions with DOGM and laboratory analysis reporting required at final reclamation

Citation: Vol. 1, Chap. 5, Sec. 542.200, p. 50

OPERATOR COMMENTS (Optional)



Title: Sealing of Wells

Objective: Permanent closure of wells using measures required by DOGM to prevent access prevent contamination of groundwater.

Frequency: as wells are no longer needed

Status: when wells are no longer needed.

Reports: Report status when mining is terminated or wells no longer needed.

Citation: MRP, Vol. 2, Chap. 6, Sec. 631, p. 5 & Vol. 1, Chap. 5, p. 46

OPERATOR COMMENTS (Optional)



REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently on file with the Division.

Please List Attachments:

N/A

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

LEGAL/ FINANCIAL UPDATE

Included

DOG M File Location or Annual Report Location

Department of Commerce, Annual Report of Officers	<input type="checkbox"/>	On File
	<input type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	

REVIEWER COMMENTS

Met Requirements

Did Not meet Requirements

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Please List Attachments:

REVIEWER COMMENTS