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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

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Outgoing
600-7002-2
#4056
a

May 1, 2012

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

Subject: 2011 Annual Report Review Completion, Savage Coal Terminal, C/007/0022, Task ID #4056

Dear Mr. Nielsen:

The Division staff has completed the review of the 2011 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on May 1, 2012.

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
O:\007022.SAV\WG4056\ReviewCompletionLetter.doc



Annual Report

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 30, 2012**. 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

DOG M File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" 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 AR contains a P.E. certified report for the refuse disposal area (MSHA ID# 1211-UT-09-01444-01) for each of the four quarters of 2011. The recovery and shipping of the coal waste has continued through 2011, with the material being sent to Sunnyside Cogeneration Associates for utilization. No hazards have been identified within or on the pile. The pile has been ripped, and is not capable of impounding water. All runoff reports to ditch CD-13, thence CD-7 and into Pond 5. There are no indications of spontaneous combustion. The Annual Impoundment inspections with P.E. certifications were completed by Mr. Dan Guy on September 15, 2011. All four fine coal slurry containments (1,2,3 and 4) and the five sediment retention ponds (Ponds 1,2,3, 5 and 6) were inspected. No indications of

instability or other identifiable hazards were noted. Certifications of the inspection reports were completed on the day of the inspection.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan 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. The permittee should obtain a list of noxious weeds from the county and invasive species from DWR.

Frequency: Ongoing treatment. Report annually

Status: Ongoing

Reports: Summarize treatment in Annual report.

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

Operator Comments

Removal of Tamerisk and Russian Olive in 2010. No new removal in 2011.

Reviewer Comments Met Requirements Did Not Meet Requirements

Removal of Tamarisk and Russian Olive trees is monitored within the Savage permit area, and action is taken as soon as possible to remove these weeds. Use of herbicide, or complete removal of the trees is the method generally utilized. No weed control was implemented during 2011.

FUTURE COMMITMENTS AND CONDITIONS

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" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: WASTE STREAM FROM PROCESSING PLANT

Objective: Provide documentation of chemical characteristics of process waste returned to site through analysis of parameters.

Frequency: Sample every 5,000 tons returned to site.

Status: Ongoing, report required if waste is returned to site. Or, state if reported in Dugout Annual Report.

Reports: Submit Laboratory analysis sheets with annual report.

Citation: MRP, Volume 1, Chapter 5, Appendix 5-2.

Title: FINAL RECLAMATION SOIL TESTING

Objective: To ensure vegetation establishment

Frequency: At final reclamation

Status: At reclamation

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

Citation: MRP, Volume 1, Chapter 5, Section 542.200, page 50

Title: SEALING OF WELLS

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

Frequency: Seal wells when no longer needed.

Status: Ongoing

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

Citation: MRP, Volume 2, Chapter 6, Section 631, page 5, and Volume 1, Chapter 5, page 46.

OPERATOR COMMENTS (OPTIONAL)

N/A

REVIEWER COMMENTS

Any waste which is generated from the processing plant (operated by ARCH Coal, Inc.) is immediately loaded and transported to the Dugout Canyon Mine waste rock site for final deposition. Cleanout material from the slurry cells is dried on site and then blended into the waste rock being shipped to SCA.

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

N/A

Reviewer Comments

N/A

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. 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
N/A		<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

Plates 5-2 Savage Coal Terminal Facility Map and 7-2 Savage Coal Terminal Hydrology Map were updated via Task ID #3937, Relocation of Truck Dump and Culverts, which received final Division approval on January 10, 2012. Both plates are P.E. certified by Mr. Dan Guy, Utah registered professional engineer.