State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0070022**
Inspection Type:	COMPLETE
Inspection Date:	Thursday, May 07, 2015
Start Date/Time:	5/7/2015 8:00:00 AM
End Date/Time:	5/7/2015 11:00:00 AM
Last Inspection:	Tuesday, April 07, 2015

Inspector: Karl Houskeeper,

Weather: Cloudy Skies, Temp. 56 Deg. F.

InspectionID Report Number: 4184

Accepted by: JHELFRIC
5/21/2015

Representatives Present During the Inspection:	
Company	Garth Nielsen
OGM	Karl Houskeeper

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
- [x] Other

Types of Operations

- [x] Underground
- [x] Surface
- [x] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Thursday, May 07, 2015

Note: This inspection report does not constitute an official finding of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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UTAH DNR OIL, GAS & 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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☑	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☑	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☑	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☐	☐
12. Backfilling And Grading	☑	☐	☐	☐
13. Revegetation	☑	☐	☐	☐
14. Subsidence Control	☑	☐	☐	☐
15. Cessation of Operations	☑	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☐	☐
20. Air Quality Permit	☑	☐	☑	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☑	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

DOGM Permit C/007/0022 was issued on August 7, 2014 and expires on August 7, 2019. The mining permit requires through a stipulation submittal of all water monitoring information into the electronic database.

Reclamation Agreement signed by both parties, dated 7th July 2010.

Bond is through Liberty Mutual Insurance Company for $2,525,000.

Air Quality Permit DAQE-AN0117930007-08 issued May 15, 2008. This permit is still actively in place for the site.

Insurance policy is through Greenwich Insurance Company. The policy became effective on 04/01/2015 and expires on 04/01/2016. The policy covers the required minimum coverage's. Explosion coverage is not excluded from the policy. The certificate holder is shown as The State of Utah. The cancellation clause has been determined acceptable to the Division.

UPDES Permit under General Permit UTG040000. The specific permit number is UTG040005 issued on September 1, 2013 and expires at midnight on August 31, 2018. One out fall is permitted through the permit, outfall 001.

SPCC Plan is dated August 2013. The plan is P.E. dated, stamped and signed by a Utah P.E. on 08/27/2013.

2. Signs and Markers

The mine identification signs at both points of access into the mining permit area were checked during the complete inspection. Both signs were found to be legible and contained all of the required information.

4.a Hydrologic Balance: Diversions

During the complete inspection one diversion was noted as needing maintenance. The diversion was still functional. The diversion had been impacted by truck traffic . Contact was made during the inspection and maintenance begin.

The replacement of a culvert referred to in previous inspections has been done and is functional.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

First quarter 2015 inspection of the sedimentation ponds was done by Dan Guy a Professional Engineer in the State of Utah on 03/19/2015. No problems with any of the sediment ponds was noted.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for the Savage Coal Terminal for January, February and March 2015 were reviewed as part of the complete inspection. No discharges occurred for the referenced months.

7. Coal Mine Waste, Refuse Piles, Impoundments

First quarter 2015 refuse pile inspection was conducted by Dan Guy who is a Professional Engineer in the State of Utah on 03/19/2015. No problems were noted as part of the inspection. The report is P.E. dated, stamped and signed.

8. Noncoal Waste

The site was found to be free of noncoal waste items outside of the approved control facility.

20. Air Quality Permit

Air Quality Permit DAQE-AN0117930007-08 issued May 15, 2008. This permit is still actively in place for the site.

21. Bonding and Insurance

The bond is through Liberty Mutual Insurance Company.