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, November 03, 2016
Start Date/Time:	11/3/2016 8:00:00 AM
End Date/Time:	11/3/2016 10:30:00 AM
Last Inspection:	Monday, October 24, 2016

Representatives Present During the Inspection:
OGM Karl Houskeeper

Inspector: Karl Houskeeper,

Weather: Clear Skies, Temp. 36 Deg. F.

InspectionID Report Number: 5685

Accepted by: DHADDOCK
11/17/2016

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:

Checked in at the Savage Energy Terminal office at the beginning of the inspection. Luann Koch provided the necessary paper work for the complete inspection. Vic Fossat was tied up with some repairs at the prep. Plant so the Division inspector conducted the field inspection unattended. At the close of the inspection the inspector checked in at the office prior to leaving.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Thursday, November 03, 2016

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

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 the 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 04/01/2016 and expires on 04/01/2017. 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

Two identification signs are posted at public entrances into the mining permit area. The signs contained all of the required information. Pictures of the signs were taken and are attached to the PDF version of this inspection report.

4.a Hydrologic Balance: Diversions

The diversions throughout the site are all well maintained and graded. They are fully functional. Pictures attached to PDF inspection report.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The fourth quarter and annual 2016 sediment pond inspections were done by Dan Guy a registered professional engineer in the State of Utah on 10/15/2016. All existing sediment elevations for each pond were below the 60% sediment clean elevations for that pond.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for July, August and September 2016 were reviewed during the complete inspection. No discharges occurred for the months reviewed. The reports were submitted to DEQ.

5. Explosives

There are no explosives or explosive storage containers on site.

7. Coal Mine Waste, Refuse Piles, Impoundments

The fourth quarter 2016 refuse pile inspection was done by Dan Guy a registered professional engineer in the State of Utah on10/15/2016. The inspection is P.E. certified. No problems were noted.

8. Noncoal Waste

The site is free of noncoal waste items outside of an approved containment area and/or structure.

14. Subsidence Control

This site is a load out facility and therefore there is no subsidence issues associated with it. No mining takes place.

16.a Roads: Construction, Maintenance, Surfacing

The roadways throughout the site are well maintained. They are graded frequently. Watering of the roadways had occurred prior to the inspection to aid in dust suppression.

16.b Roads: Drainage Controls

The roadways are graded to insure proper drainage. The road diversion systems are well maintained. A picture of one of the roadway diversions was taken and is included in the PDF version of this complete inspection report.

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.

22. Other

A erosional cut was observed off the side slope of the promontory point used to dump the incoming coal trucks on the west side. At the conclusion of the inspection this problem was identified to Vic Fossat. Vic indicated that work on the erosion would begin in the afternoon to address the problem. Pictures of the erosion were taken and are attached to the PDF version of this inspection report.

Identification Sign

Savage Energy Terminal

Identification Sign

Erosion Cut West Side of Truck Dump

Erosion Cut West Side of Truck Dump

Roadway Diversion

Preparation Plant

Culvert Inlet

Sediment Pond #6

Sediment Pond #5