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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

June 29, 2016

Garth Nielsen, General Manager
Savage Services Corporation
901 W. Legacy Center Way
Midvale, Utah 84047

Subject: 2015 Annual Report Review Completion, Savage Coal Terminal, C/007/0022, Task ID #5093

Dear Mr. Nielsen:

The Division staff has completed the review of the 2015 Annual Report. Enclosed is a copy of the review with each reviewer's comments.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs
Enclosure
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1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
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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 the date specified in the cover letter. 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	2019-08-07
Operator Name	Savage Coal Terminal	Phone Number	637-5664
Mailing Address	P.O. Box 1001	Email	garthnielson@savageservices.com
City	Price		
State	UT	Zip Code	84501

		DOGM File Location or Annual Report Location
Excess Spoil Piles	☐ Required ☒ Not Required	
Refuse Piles	☒ Required ☐ Not Required	Included in Appendix A
Impoundments	☒ Required ☐ Not Required	Included in Appendix A
Other:		

OPERATOR COMMENTS

Reports included in Appendix A

REVIEWER COMMENTS ☒ Met Requirements ☐ Did Not meet Requirements

The annual report meets the State of Utah R645 Engineering and Hydrologic requirements for Impoundments.
Savage Coal Terminal has four settling ponds for washing coal and five sediment ponds. The annual report includes impoundment inspection reports for each of these structures. Each settling and sediment pond was inspected and certified by Dan Guy P.E. on 11/23/2015. The settling ponds had a range of water levels from 1' to 3' and Settling Pond #3 was full of coal and water. The surveyed sediment and water levels in each pond were below the 60% Cleanout Elevations. The remaining sediment storage is as follows: Pond 1 = 0.13 ac ft, Pond 2 = 0.08 ac ft, Pond 3 = 0.11 ac ft, Pond 5 = 0.21 ac ft, Pond 6 = 0.14 ac ft. Each impoundment showed no sign of structural instability or other hazardous conditions. However, it is noted that a bioturbation has piped a hole between Ponds 2 and 3. (KS)

Appendix "A" contains four quarterly refuse inspections with P.E. certifications by Mr. Dan Guy, Utah registered professional engineer for the Savage waste rock / refuse pile on: 3/19/15,6/17/15, 9/24/15, and 11/23/15. None of the four document identifiable hazards or signs of instability. The pile was recovered as part of a BTU resource recovery operation approved by the Division. All inspection reports noted that there was only a small amount of material remaining (2 double trailer truck loads, approximately 80 tons). As this volume is very small, all R645 regulatory requirements relative to slope stability, compaction, drainage control, etc., are inapplicable. All drainage controls were removed during the recovery of the pile. The MSHA hazard identification sign remains in place. The disturbed area acreage once occupied by the waste rock pile may be used for coal storage in the future. Mr. Guy's certification stamps meet the requirements of R156-22-601, as mandated by the Utah Department of Professional Licensing. (CP)

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

Past removal of Tamerisk and Russian Olive. No new removal needed in 2015.

Reviewer Comments ☒ Met Requirements ☐ Did Not Meet Requirements

The permittee has adequately addressed this commitment. [JCH]

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.

Title: ANALYSIS OF BASELINE PARAMETERS EVERY 5 YEARS
Objective: Periodic analysis for baseline parameters for long term impacts to surface and ground water.
Frequency: Once every five years
Status: Next event Fall 2018
Reports: Report as part of quarterly water-monitoring.
Citation: MRP Chapter 7, Table 17

OPERATOR COMMENTS (OPTIONAL)

REVIEWER COMMENTS

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

MAPS

Copies of mine maps, current and up-to-date, 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		☐	☐	☐	☐
		☐	☐	☐	☐
		☐	☐	☐	☐
		☐	☐	☐	☐
		☐	☐	☐	☐

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements