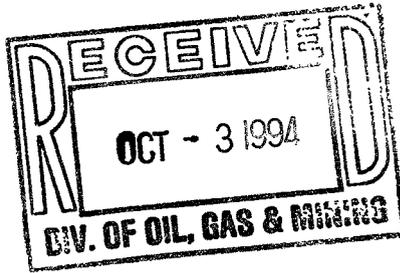


James T. Jensen
Executive Vice President
and General Counsel



September 30, 1994



5250 South 300 West
Suite 200
Salt Lake City, Utah 84107
(801) 263-9400
FAX (801) 261-8766

Ms. Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Copy from [Signature]

Re: **Request for Permit Transfer/C.V. Spur Loadout and Processing Facility**
ACT/007/022/Carbon County, Utah

This letter will confirm my telephone conversation with you as follows:

1. Pending DOGM's approval of transfer of the DOGM permit to Savage Industries Inc. from Mountain Coal Company, Savage Industries Inc. requests that it be designated as the "Operator of the CV Spur";
2. Simultaneously with DOGM's approval of transfer of the DOGM permit to Savage Industries Inc., the new name of the CV Spur will be "Savage Coal Terminal"; and
3. Appropriate signs are being painted and will be posted pursuant to DOGM regulations showing among other things, the name of the facility as "Savage Coal Terminal".

Sincerely,

James T. Jensen
James T. Jensen

cc: Dan Guy
Rt. 1, Box 146, #5
Helper, Utah 84526

Scott Anderson, Esq.
ARCO - Legal Department
555 Seventeenth Street
Denver, Colorado 80202

Copy to amend file
Orig. to #3

PERMIT AMENDMENT APPROVAL

Title: <u>Sediment Control Amendment</u>	PERMIT NUMBER: <u>007 022</u>
Description: <u>Typical designs for Sed Control</u>	PERMIT CHANGE #: <u>94D</u>
	MINE: <u>CV Spur</u>
	PERMITTEE: <u>Mtn Coal</u>

WRITTEN FINDINGS FOR PERMIT APPLICATION APPROVAL

	YES, NO or N/A
1. The application is complete and accurate and the applicant has complied with all the requirements of the State Program.	yes
2. The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations, unless:	yes
A. The applicant has demonstrated that before January 4, 1977, substantial legal and financial commitments were made in relation to the operation covered by the permit application, or	yes
B. The applicant has demonstrated that the proposed permit area is not within an area designated as unsuitable for mining pursuant to R645-103-300 and R645-103-400 or 30 CFR 769 or subject to the prohibitions or limitations of R645-103-230.	yes
3. For coal mining and reclamation operations where the private mineral estate to be mined has been severed from the private surface estate, the applicant has submitted to the Division the documentation required under R645-301-114.200.	yes
4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.	yes
5. The operation would not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).	yes
6. The Division has taken into account the effect of the proposed permitting action on properties listed on and eligible for listing on the National Register of Historic Places. This finding may be supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Division has determined that no additional protection measures are necessary.	yes
7. The Applicant has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.	yes
8. The Applicant has demonstrated that any existing structure will comply with the applicable performance standards of R645-301 and R645-302.	yes
9. The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870.	yes
10. The Applicant has satisfied the applicable requirements of R645-302.	NA
11. The Applicant has, if applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400.	NA

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT AMENDMENT APPROVAL

	YES	NO
1. Are there any variances associated with this permit amendment approval? If yes, attach.		X
2. Are there any special conditions associated with this permit amendment approval? If yes, attach.		X
3. Are there any stipulations associated with this permit amendment approval? If yes, attach.		X

The Division hereby grants approval for Permit Amendment to the Existing Permit by incorporation of the proposed changes described herein and effective the date signed below. All other terms and conditions of the Existing Permit shall be maintained and in effect except as superseded by this Permit Amendment.

Signed *Dawn R. Haddock*
 _____, Division of Oil, Gas and Mining

9/28/94
 EFFECTIVE DATE