



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Ted Stewart  
Executive Director  
James W. Carter  
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Salt Lake City, Utah 84180-1203  
801-538-5340  
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June 27, 1994

James T. Jensen  
Savage Industries, Inc.  
5250 South 300 West  
Salt Lake City, Utah 84107

Re: Deficiencies in Permit Transfer Application, C.V. Spur Coal Processing and Loadout Facility, Mountain Coal Company, ACT/007/022-94B, Folder #2, Carbon County, Utah

Dear Mr. Jensen:

The Division has reviewed Savage Industries' application for the permit transfer from Mountain Coal Company to Savage Industries, Inc. for the permit for C.V. Spur Coal Processing and Loadout Facility. Several deficiencies have been identified and need to be corrected. Enclosed please find a memo that outlines these deficiencies.

If you have any questions, please call Paul Baker or Daron Haddock.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig  
Permit Supervisor

Enclosure

cc: Kathleen Welt, Mountain Coal Company  
Daron Haddock  
Paul Baker





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June 20, 1994

TO: Daron Haddock, Permit Supervisor  
FROM: Paul Baker, Reclamation Biologist *PRB*  
RE: Permit Transfer Application, Mountain Coal Co., Castle Valley Spur, Folder #2, ACT/007/022, Carbon County, Utah

## SYNOPSIS

Savage Industries, Inc., has applied for a transfer of Mountain Coal Company's Castle Valley Spur permit. Several problems with identification of interests, violation information, right-of-entry, and the insurance certificate need to be corrected.

The letter accompanying the permit transfer application says that a permit change form is included, but this form is not in the Division's files. It would normally contain the notarized signature of a responsible official of the applicant that the information in the application is true and correct to the best of the official's information and belief. However, R645-301-123 also requires that the application contain this statement.

## ANALYSIS

### R645-301-112

### Identification of Interests

The permit applicant is Savage Industries, Inc. Savage Industries' resident agent is C. T. Corporation Systems of Salt Lake City. Savage would also be the operator. The application needs to show the applicant's employer identification number.

The application does not identify the person who will pay the abandoned mine reclamation fee. On page 2-1, the application says that Mountain Coal Co. is the owner of record of the coal to be mined. If there is to be any coal mining, the application needs to identify who will pay the abandoned mine reclamation fee. If re-mining occurs, the application should identify who will pay the abandoned mine reclamation fee if it applies.

Savage's officers and directors are listed on page 2-3, but the dates these officers and directors assumed their positions are not included. The Savage Companies own all of the stock of Savage Industries, Inc. This company is considered to own or control the applicant. Therefore, its employer identification number and officers and directors, including titles and dates these people assumed their positions, need to be included in the application.



The application includes names, titles, and addresses of officers and directors of Mountain Coal Company and Atlantic Richfield Company. Although Mountain Coal Company would continue to own the land on which the loadout is located, it is unclear how they or Atlantic Richfield Company would own or control the applicant. If these companies would not own or control Savage Industries, the ownership and control information about them should be eliminated. If they would own or control Savage Industries, the application would need to contain additional information, such as employer identification numbers, dates officers and directors assumed their positions, and information about affiliated operations.

The only coal mining and reclamation operation affiliated with Savage Industries included in this application is the Catale Oklahoma Loadout. The application needs to include this operation's employer identification number and MSHA number with date of issuance. If there are any coal mining and reclamation operation associated with any of The Savage Companies' other operations, these need to be included in the application.

The application says that Plate 4-1 shows the names and addresses of the owners of record of all surface and subsurface areas contiguous to any part of the proposed permit area. This plate does not show the addresses of the property owners, but the addresses are shown in Table 4-2. The statement that the addresses are on Plate 4-1 should be corrected, and the location of the addresses should be included in the application.

On page 2-6, the application lists "the name of the proposed mine and the Mine Safety and Health Administration identification number for the mine and all sections." The only MSHA identification number listed is 42-01444. Appendix 2-5 contains a list of other licenses and permits and includes two MSHA numbers associated with refuse piles. The section of the application that covers regulation R645-301-112.700 should either include these refuse pile MSHA numbers or reference Appendix 2-5.

#### **R645-301-113**

#### **Violation Information**

The application says that neither the applicant nor any subsidiary, affiliate, or person controlled by or under common control has had any federal or state mining permits suspended or revoked in the last five years nor forfeited a mining bond or similar security deposit.

Appendix 2-2 contains a list of all notices of violation received by the applicant in the past three years. Appendix 2-2 does not include the permit number for Catale, but this information is in Appendix 2-1. However, neither appendix has the MSHA number for this operation. Other information required by R645-301-113-300 about the two violations is present.

#### **R645-301-114**

#### **Right-of-Entry**



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June 20, 1994

that a 5.42 acre area in the E $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 11, Township 15 South Range 10 East is not in the permit area. If this parcel is the Jensen property, it is in the W $\frac{1}{2}$  SW $\frac{1}{4}$ .

According to Plate 4-1 in the plan, the water pipeline crosses a few areas besides those mentioned in the proposed advertisement. They are Section 11, SW $\frac{1}{4}$  NW $\frac{1}{4}$ ; and Section 2, SE $\frac{1}{4}$  NW $\frac{1}{4}$ .

The Division's files do not contain a record of the \$5.00 application fee.

The application does not contain the notarized signature of a responsible official of the applicant that the information in the application is true and correct to the best of the official's information and belief.

## **RECOMMENDATIONS**

The Division should not approve the permit transfer application until the problems discussed in this memorandum are resolved.

**Mountain Coal Company**  
West Elk Mine  
Post Office Box 591  
Somerset, Colorado 81434  
Telephone 303 929-5015



July 26, 1994

**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

*940*

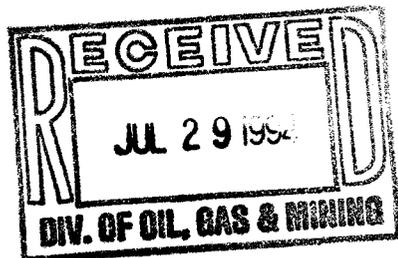
Re: Update of Officers  
C.V. ~~Spur Loadout~~ Facility  
ACT/007/022 #2  
Carbon County, Utah

Dear Ms. Littig:

Enclosed are 3 copies of updated pages for the C.V. Spur Loadout Facility M.R.P.. The pages have been revised to show the latest change in officers for Mountain Coal Company.

Changes for the Huntington Canyon No. 4 Mine were submitted previously, and those for the Gordon Creek No. 3/6 Mines are being submitted under separate cover. The Gordon Creek No. 2/7/8 Plan presently under review already has the updated list of officers.

If you have any questions, or need any further information, please let me know.



Respectfully,

Dan W. Guy,  
for Kathleen G. Welt

Enclosures

cc: Kathy Welt, MCC  
Scot Anderson, MCC  
File