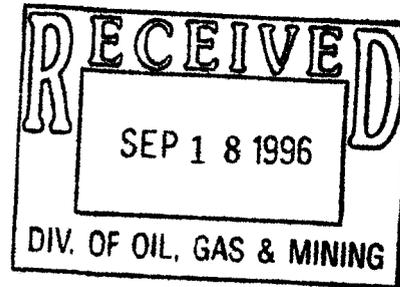


Savage

Savage Coal Terminal
2025 E. 5000 S.
Price, Utah 84501
(801) 637-5664

September 12, 1996

Mr. Joe Helfrich
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801



Re: NOV 96-26-3-1
Savage Coal Terminal
ACT/007/022
Carbon County, Utah

#2

Dear Mr. Helfrich:

Savage Industries, Inc. is herein requesting review of the above referenced Notice of Violation. The N.O.V. was written as a result of work performed by U.S. West within the undisturbed area boundary at the Savage Coal Terminal. The U.S. West activity consisted of the extension of a telephone cable and box to provide service to the new Covol building across the road to the west, and resulted in disturbance of an area approximately 20' wide by 400' long. The work was performed without notification or approval of Savage personnel.

A subsequent check of the mine plan and Carbon County records shows that Utility Easements do exist within the designated undisturbed area for Mountain States Telephone and Telegraph Company and Utah Power and Light Company. These easements do provide right of ingress and egress for installation and maintenance of utilities within the area. I have enclosed copies of the mine plan reference to the easements (Table 4-1), and the Carbon County records for both utilities, for your reference.

Based on the above, it appears that the utility company has the right to work within the easement area, and although Savage Industries should have been informed of their plans, this occurrence could not have been prevented. Savage Industries, Inc. does agree that more on-ground and map clarification is required to delineate this easement area; however, we do not feel that an N.O.V. is warranted for such third-party activities, and we therefore request your review and vacation of this notice.

Sincerely,

James F. Sauls
Regional Vice President