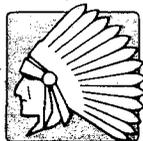


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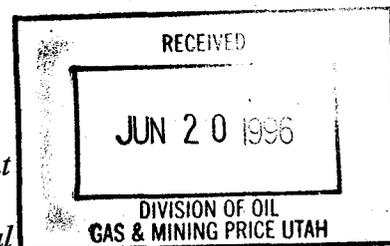


**Savage**  
INCORPORATED

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

June 13, 1996

Mr. William Malencik  
Utah Division of Oil, Gas & Mining  
451 East 400 North  
Price, Utah 84501



Re: Proposed Amendment  
By-Pass Conveyor  
Savage Coal Terminal  
ACT/007/022  
Carbon County, Utah

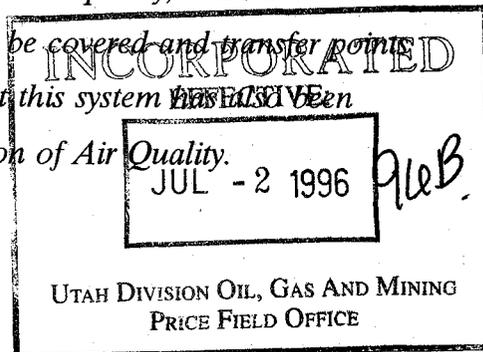
#2

Dear Mr. Malencik:

Enclosed are 8 copies of a proposed amendment to the Savage Coal Terminal M.R.P. The proposal is to construct a by-pass conveyor from the main plant feed belt to a 225 Ton Bin or alternatively, to the stacking tube conveyors.

The proposed system will consist of the addition of approximately 220' of 36" conveyor, structure, concrete footers, and a 225 Ton Steel Bin for truck loading. This system will allow coal to be recovered from the plant feed stockpile, and place it directly in trucks or onto the stacking tube conveyors without going through the preparation plant. The additional conveyor will be located just west/southwest of the plant, as shown on Plate 3-2.

The proposed location is within the disturbed area; therefore, no topsoil will be removed. The addition will also not require any change to the drainage system on site. A minor amount of excavation will be necessary to pour the required concrete footings for the structure. This addition is expected to have a positive effect on air quality, since this coal is presently being transferred by loaders. The conveyor will also be covered and transfer points will be enclosed to protect air quality. It should be noted that this system has ~~not~~ been included in the Notice of Intent, recently filed with the Division of Air Quality.



A bond estimate for reclamation of this system has also been completed (See Appendix 3-2). The estimate shows the expected reclamation cost to be approximately \$3621.73. The present bond for the facility is \$2,728,178.00 and includes a 10% contingency of \$272,818.00. The recently approved Truck Dump/Conveyor amendment reclamation cost was estimated at \$3505.48. If the present proposal reclamation cost is added to the truck dump/conveyor amendment cost, the total reclamation cost is \$7127.21, reducing the bond contingency to \$265,690.79; therefore, there should be no need to increase the bond on the facility to cover this amendment.

Required permit change forms are enclosed. All maps and pages are numbered, and should replace corresponding items or be added, as designated.

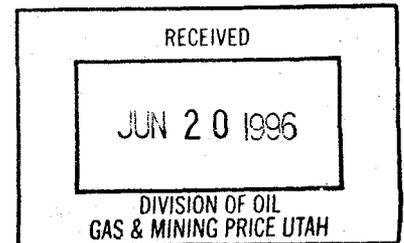
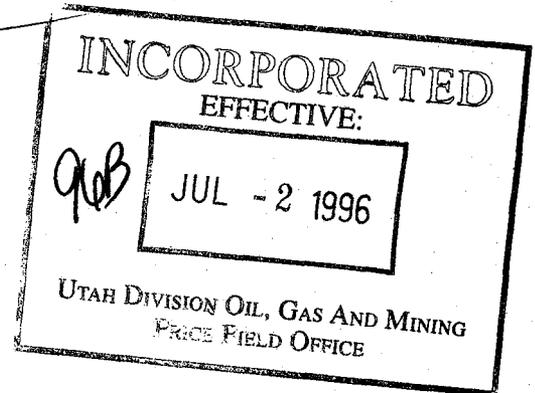
Savage Industries, Inc. has applied for a building permit for this project. A copy of the permit is enclosed. If you have any questions, or need any further information, please contact me or Dan Guy.

Sincerely,



Boyd Rhodes,  
Manager

cc: Jim Sauls - Savage  
Dan Guy - Blackhawk Engineering  
Paige Beville - ARCO  
File



# APPLICATION FOR PERMIT CHANGE

Title of Change: BYPASS CONVEYOR / LOADOUT BIN

Permit Number: ACT007 1022

Mine: SAVAGE COAL TERMINAL

Permittee: SAVAGE INDUSTRIES

Description, include reason for change and timing required to implement:

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.               |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.            |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 4. Will permit change include operations in hydrologic basins other than currently approved?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?                                  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 6. Does permit change require or include public notice publication?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 7. Permit change as a result of a Violation? Violation #   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 8. Permit change as a result of a Division Order? D.O.#  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 9. Permit change as a result of other laws or regulations? Explain:  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 10. Does permit change require or include ownership, control, right-of-entry, or compliance information?                                 |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 11. Does the permit change affect the surface landowner or change the post mining land use?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 12. Does permit change require or include collection and reporting of any baseline information?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?                                |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 14. Does permit change require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 15. Does permit change require or include vegetation monitoring, removal or revegetation activities?                                     |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 16. Does permit change require or include construction, modification, or removal of surface facilities?                                  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 17. Does permit change require or include water monitoring, sediment or drainage control measures?                                       |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 18. Does permit change require or include certified designs, maps, or calculations?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 19. Does permit change require or include underground design or mine sequence and timing?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 20. Does permit change require or include subsidence control or monitoring?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan?                                  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?                           |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area? |

**INCORPORATED**  
EFFECTIVE:  
**JUL - 2 1996**

UTAH DIVISION OIL, GAS AND MINING  
PRICE FIELD OFFICE

**Attach 8 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.**

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Dana Ballard  
Signed - Name - Position - Date

Subscribed and sworn to before me this 18 day of June, 19 96

Dana Ballard  
Notary Public



**DANA BALLARD**  
NOTARY PUBLIC - STATE OF UTAH  
865 EAST 2800 SOUTH  
PRICE, UTAH 84501  
COMM. EXP. 9-27-97

My Commission Expires:  
Attest: STATE OF  
COUNTY OF

9-27-97, 19 97  
UTAH  
CARBON

Received by Oil, Gas & Mining  
RECEIVED

**JUN 20 1996**

DIVISION OF OIL  
GAS & MINING PRICE UTAH

ASSIGNED PERMIT CHANGE NUMBER

96B





# Carbon County

# BUILDING PERMIT

No.: 4738 Issued: 6-14-96

THIS RECORD OF INSPECTIONS TO BE KEPT VISIBLE ON JOB SITE  
UNTIL ALL REQUIRED INSPECTIONS ARE COMPLETE.

Address: 2025 E. 5000 S.

Owner/Contractor: SAVAGE

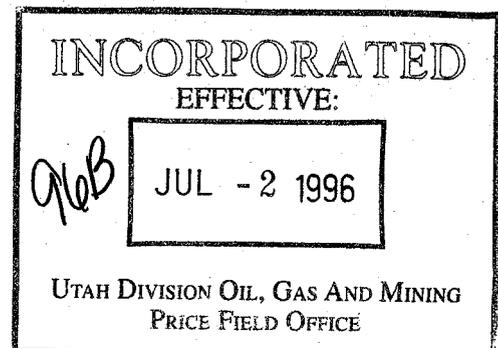
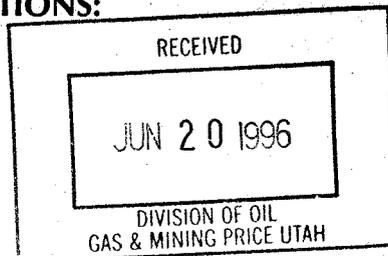
REQUIRED INSPECTIONS:  
U.B.C. Section 108

DATE:

APPROVED BY:

	REQUIRED INSPECTIONS: U.B.C. Section 108	DATE:	APPROVED BY:
1	<b>FOUNDATION INSPECTION:</b> Footings, Walls, Slabs		
2	<b>CONCRETE SLAB OR UNDER FLOOR INSPECTION:</b> Building Service, Conduit, Piping, Prior to Concrete		
3	<b>FRAME INSPECTION:</b>		
4	<b>LATH AND/OR GYPSUM BOARD INSPECTION:</b> Prior to Taping		
5	<b>FINAL INSPECTION:</b> For Occupancy		

SPECIAL INSPECTIONS:  
U.B.C. Sec. 108.6



For inspections call: 636-3260

## 24 Hour Notice Required

**APPENDIX 3-2**

***Reclamation Bond Estimate  
By-Pass Conveyor / Loadout Bin***

INCORPORATED  
EFFECTIVE:  
JUL - 2 1996 *96B*  
UTAH DIVISION OIL, GAS AND MINING  
PRICE FIELD OFFICE

RECEIVED  
JUN 20 1996  
DIVISION OF OIL  
GAS & MINING PRICE UTAH

**Reclamation Bonding Estimate**  
**By-Pass Conveyor / Loadout Bin**

**Introduction:**

All reclamation costs are based on estimates taken from the Means "Heavy Construction Cost Data", Ninth Annual Edition, 1995. Equipment costs are taken from the "Caterpillar Performance Handbook", 25th Anniversary Edition, 1995.

**Procedure:**

The only additional reclamation costs included on this area will be the removal/salvage of the conveyors, loadout bin and disposal of concrete.

The proposed reclamation will include removal and transport of steel structures. Concrete will be broken up and placed into the preparation plant pond (No. 4) during final reclamation.

**Calculations:**

**Equipment / Cost**

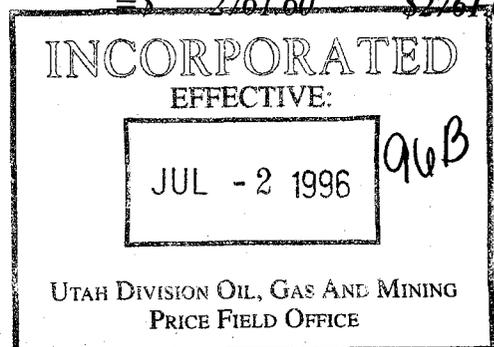
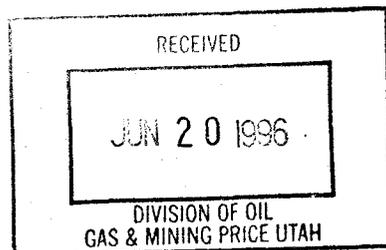
Concrete	-	56 cu. yds. (1512 cu. ft.)	
36" Conveyor	-	220' long	
Common Labor	-	\$15.05 / hr.	
55 Ton Crane	-	\$94.00 / hr. (Structure Removal)	
40 Ton Tractor/Trailer	-	\$48.50 / hr. (Structure Haulage)	
Trackhoe	-	\$ 0.90 / cu. yd. (Dig out Concrete/Load)	
10 cu. yd. Truck	-	\$ 1.02 / cu. yd. (Haul Concrete to Pond)	
Concrete Demolition	-	\$ 0.28 / ft <sup>3</sup> (Breakage / Cutting)	

**Structure:**

Removal	-	16 Hrs. (Crane) x \$94.00/hr.	= \$	1504.00
Haulage	-	16 Hrs. (Truck) x \$48.50/hr.	= \$	776.00
Labor	-	32 Hrs. x 15.05/hr.	= \$	481.60

Sub-Total

= \$ 2761.60      \$2761.60



Reclamation Bond Estimate

Concrete:

Removal	-	56 cu. yds. x \$ 0.90/cu. yd.	= \$	50.40	
Demolition	-	1512 cu. ft. x \$ 0.28/cu. ft.	= \$	423.36	
Haulage	-	56 cu. yds. x \$ 1.02/cu. yd.	= \$	57.12	
			<hr/>		
		Sub-Total	= \$	530.88	\$ 530.88
			<hr/>		
		Sub-Total Reclamation	=		\$3292.48
		+ 10% Contingency	=		\$ 329.25
			<hr/>		
		<b>TOTAL RECLAMATION COST</b>	=		<b>\$3621.73</b>
			<hr/> <hr/>		

Summary:

The total projected reclamation cost for the By-Pass Conveyor/Loadout Bin is \$3621.73. The Savage Coal Terminal is presently bonded for a total of \$2,728,178.00. This figure includes a 10% contingency of \$272,818.00. The contingency sum was previously reduced by \$3,505.48 for the truck dump amendment, to \$269,312.52. If the proposed by-pass conveyor/loadout bin is also assumed to be covered in the contingency, the new contingency figure will be \$265,690.79, or 9.74% of the posted bond. This should have no effect on the existing reclamation bond.

