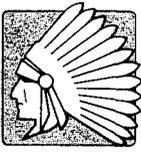
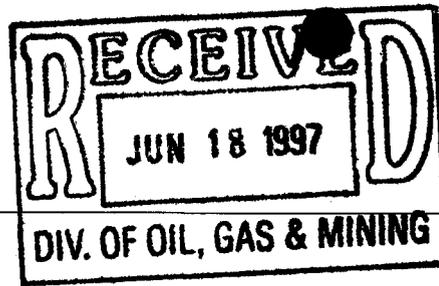


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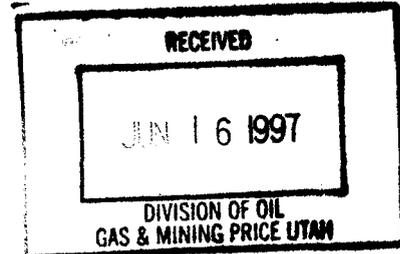


Savage
INDUSTRIES, INC.



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

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



Re: Revised Amendment
Proposed New Haul Road / Truck Dump
~~Savage Coal Terminal~~
ACT/007/022 # 2
Carbon County, Utah

Dear Ms. Malencik:

Enclosed are 4 copies of a revised proposed amendment to the Savage Coal Terminal Permit. The proposal is to reactivate approximately 1200' of previously used haul road, construct approximately 1100' of new haul road and construct a new truck dump/hopper on the south side of the existing coal stockpiles. This proposal will allow trucks carrying specific coals to enter and exit through the southwest gate, to help alleviate congestion at the main, west entrance. No net increase in truck traffic or decrease in air quality is expected, since this proposal is primarily to split up the present (and approved proposed) traffic.

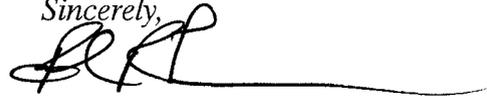
The amendment has been revised to include deficiencies noted in your memo of 06/04/97.

A bond estimate for reclamation of this system has also been completed (See Appendix 3-3). The estimate shows the expected reclamation cost to be approximately \$11,591.36. The present bond for the facility is \$2,728,178.00 and includes a 10% contingency of \$272,818.00. Recently approved amendments were estimated to have reclamation costs of \$7127.21. When this amount is added to the estimated reclamation costs for the proposed new haul road/truck dump, the total reclamation costs is \$18,718.57, reducing the bond contingency to \$254,099.43; therefore, there should be no need to increase the bond as a result of this amendment.

Required permit change forms are enclosed. All pages and plates are numbered, and should replace corresponding items or be added to the M. R. P. as noted.

In the interest of safety, it is our hope to start this project as soon as possible. If you have any questions, or need any further information, please contact me or Dan Guy.

Sincerely,

A handwritten signature in black ink, appearing to read 'BR', followed by a long horizontal line extending to the right.

*Boyd Rhodes
Manager*

*cc: Jim Sauls - Savage
Dan W. Guy - Blackhawk
File*

APPLICATION FOR PERMIT PROCESSING

Permit Change
 New Permit
 Renewal
 Transfer
 Exploration
 Bond Release

Permit Number: ACT/007/022

Title of Proposal: PROPOSED NEW HAUL ROAD / TRUCK DUMP

Mine: SAVAGE COAL TERMINAL

Permittee: SAVAGE INDUSTRIES

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

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

- | | | |
|---|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres. Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Attach A complete copies of the application.

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 Mbk 6-13-97
 Signed - Name - Position - Date

Subscribed and sworn to before me this 13 day of June, 19 97.

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: 9-27 19 97
 Attest: [Signature]
 STATE OF _____)
 COUNTY OF _____) ss:

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

