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

Michael O. Leavitt
Governor
Ted Stewart
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December 30, 1997

James T. Jensen, Executive Vice President
& General Counsel
Savage Industries Inc.
5250 South Commerce Drive, Suite 200
Salt Lake City, Utah 84107

Re: Receipt of Reclamation Bond on Behalf of Savage Industries, Inc., Exhibit D, and Updated Plan Required, Savage Industries, Inc., Savage Coal Terminal, ACT/007/022, Folder #4, Carbon County, Utah

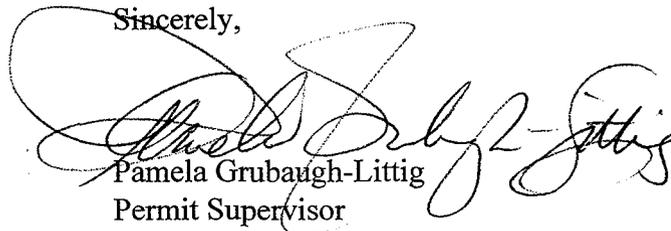
Dear Mr. Jensen:

The Division received Surety Bond #158987108 issued by National Fire Insurance Company of Hartford on behalf of Savage Industries, Inc as permittee for the Savage Coal Terminal, effective December 9, 1997, in the revised amount of \$2,525,000. The Reclamation Agreement for the Savage Coal Terminal needs to be updated by completion of Exhibit "D" and Affidavits of Qualification (attached).

There are portions of the mining and reclamation plan that will need to be updated due to the recent purchase (attached are some examples from the plan). Additionally, there are two resident agents, C.T. Corporation Systems and Corporation Trust Company (pages 2-2 and 2-5), please signify only one. Please clarify the person at Savage Industries, Inc. who will receive all correspondence.

Please submit all of the required information by January 30, 1998. If you have any questions please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor