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

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September 18, 1997

James Jensen  
Savage Industries, Inc.  
5250 South 300 West, Suite 200  
Salt Lake City, Utah 84107

Re: Approval of Revised Reclamation Cost Estimate, (Midterm Review), Savage Coal Industries, Savage Coal Terminal, ACT/007/022-MT97, Folder #2, Carbon County, Utah

Dear Mr. Jensen:

As a follow up to the Mid Term review, Savage submitted a revised reclamation cost estimate for the Savage Coal Terminal on July 31, 1997. Taking this new information into account we have recalculated the bond for the Savage loadout and have determined that the appropriate bond should be \$2,525,000.00. This is based on the year 2001 dollars.

Since the bond currently posted for the Savage Loadout (\$2,728,178.00) exceeds the amount required, no adjustment is necessary at this time.

Savage may choose to retain the current bond amount in order to cover future permitting actions and contingencies or reduce the bond amount to \$2,525,000.00 if so desired. A copy of the Division's bond cost summary is enclosed for your information and files.

If you have any questions, please don't hesitate to call me or Wayne Western.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock  
Permit Supervisor

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Enclosure

cc: Dan Guy, Blackhawk Engineering  
Boyd Rhodes, Savage Industries  
William Malencik, DOGM

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