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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 6, 1997

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

Re: Completion of the Midterm Review, Savage Coal Industries, Savage Coal Terminal, ACT/007/022, Folder #2, Carbon County, Utah

Dear Mr. Jensen:

The Division completed the Midterm Permit Review of the Savage Coal Terminal with the site visit held on April 15, 1997. The results of the site visit are discussed in the enclosed report. Although there were no apparent compliance problems at the site, there are some items in your reclamation plan that could be improved upon. Please review it carefully.

Also enclosed you will find a technical memo which discusses the review of your reclamation cost estimate and bonding requirements. You will note that there are some inadequacies in your reclamation cost estimate. These deficiencies must be corrected. Please provide a revised reclamation cost estimate by no later than June 6, 1997. You may want to schedule a meeting with Wayne Western our Reclamation Engineer to go over the bonding requirements.

Please call if you have any questions.

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, Price (Blackhawk Engineering)
Boyd Rhodes, Price (Savage)
William Malencik

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