

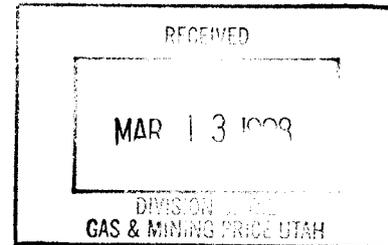


Savage Industries Inc.
 2025 E. 5000 S.
 Price, Utah 84501
 (801) 637-5664
 (801) 637-3418 FAX

February 3, 1998

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

GBA



*Re: Proposed New Sampler/Building
 Savage Coal Terminal
 ACT/007/022 #2
 Carbon County, Utah*

Dear Mr. Malencik:

Enclosed are 3 copies of a proposed amendment to the Savage Coal Terminal Permit. The proposal is to install a new coal sampler and building on the silo loading conveyor, just east of the existing sample house.

The proposed system is enclosed at sampling and transfer points. The sample house is a steel structure, measuring 4'6" x 17'3", and will sit on a small concrete pad.

The proposed addition is in the existing disturbed area, and any runoff will be directed to Sediment Pond No. 6. Complete plans are included as Plates 3-2F & 3-2G.

The location is shown on the revised Facility Map, Plate 3-2. A copy of the approved building permit from Carbon County is attached.

A bond estimate for reclamation of this system has also been completed (See Appendix 3-5). The estimate shows the expected reclamation cost to be approximately \$998.26. The present bond on 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 \$18,718.57. When this amount is added to the estimated reclamation cost of the proposed sampler, the total is \$19,716.83, reducing the bond contingency to \$253,101.17; therefore, there should be no need to increase the bond as a result of this amendment.

Required permit change forms are enclosed. Contractors are prepared to start on this project immediately upon approval. If you have any questions, or need any further information, please contact me or Dan Guy.

Sincerely,

A handwritten signature in cursive script, appearing to read 'B Rhodes', with a long horizontal line extending to the right.

*Boyd Rhodes
Manager*

*cc: Dan W. Guy - Blackhawk
File*

APPLICATION FOR PERMIT PROCESSING

②

Permit Change <input type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: <u>ACT/007/022</u>
Title of Proposal: <u>NEW COAL SAMPLER</u>						Mine: <u>SAVAGE COAL TERMINAL</u>
						Permittee: <u>SAVAGE INDUSTRIES</u>

Description, include reason for application and timing required to implement:
TO REPLACE ORIGINAL SAMPLING SYSTEM.

Instructions: If you answer yes to any of the first 7 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to an inspector.

- | | | |
|---|--|---|
| <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. 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 the application submitted as a result of a Violation? Violation # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Division Order? D.O. # _____ |
| <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 type="checkbox"/> Yes | <input checked="" 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. Is proposed activity within 100 feet of a public road or perennial stream or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Is this coal exploration activity? |

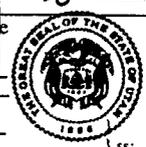
Attach 3 complete copies of the application.

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 MGR 2-12-98
Signed - Name - Position - Date

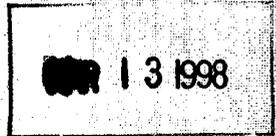
Subscribed and sworn to before me this Feb day of 1998
Dana Ballard
Notary Public

My Commission Expires: 9-27-2001
Attest: STATE OF _____ COUNTY OF _____



DANA BALLARD
NOTARY PUBLIC - STATE OF UTAH
865 EAST 2800 SOUTH
PRICE, UT 84501
COMM. EXP 9-27-2001

Received by Oil, Gas & Mining



DIVISION OF OIL
GAS & MINING PRICE UTAH

ASSIGNED PERMIT CHANGE NUMBER

98A

Application for Permit Change Detailed Schedule of Changes to the Permit

Title of Change:

NEW COAL SAMPLER

Permit Number: *ACT 0071022*

Mine: *SAVAGE COAL TERMINAL*

Permittee: *SAVAGE INDUSTRIES*

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit change. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the exiting mining and reclamation plan. Include page, section and drawing numbers as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

ADD REPLACE REMOVE

APPENDIX 3-5

ADD REPLACE REMOVE

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

ADDENDUM TO AMENDMENT:

R 645-301-200, Soils

The proposed sample building will be placed on existing, disturbed soil. This is in an area of pre-law disturbance and no topsoil has been salvaged here.

R 645-301-300, Biology

The sample house is enclosed and simply replaces an existing sampler. No new biologic concerns are noted for this amendment.

R 645-301-400, Land Use and Air Quality

The sample house will have no impact on land use, since it will be removed on reclamation. The building is enclosed and the conveyors will be covered. The house has been addressed in a revised Notice of Intent to Air Quality.

R 645-301-500, Engineering

All required maps and text are included with this application. Designs are certified, and a building permit has been applied for from Carbon County.

R 645-301-600, Geology

The sampler is in a pre-law disturbed area. No geologic impacts are anticipated.

R 645-301-700, Hydrology

Drainage from the sampler will go to disturbed ditch CD-2, as the area has in the past. This ditch flows to Sediment Pond No. 6 for final treatment. See Plate 3-2 for location and drainage details.

R 645-301-800, Bonding and Insurance

Required bonding calculations are included with this amendment.