



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

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April 13, 2000

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

Re: Conditional Approval of Crossover Conveyor, Savage Industries Inc., Savage Coal Terminal, ACT/007/022-AM00D, Outgoing File

Dear Mr. Jensen:

The above-referenced amendment is conditionally approved upon receipt of three clean copies of map 3-2. In addition please identify on map 3-2 the location of the portable truck dump and conveyor. Once we receive these copies, we will send a stamped approved copy for incorporation into your Mining and Reclamation Plan. A copy of our technical analysis is enclosed for your information.

If you have any questions, please feel free to call Joe Helfrich,(Team lead) at (801) 538-5290, or me.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

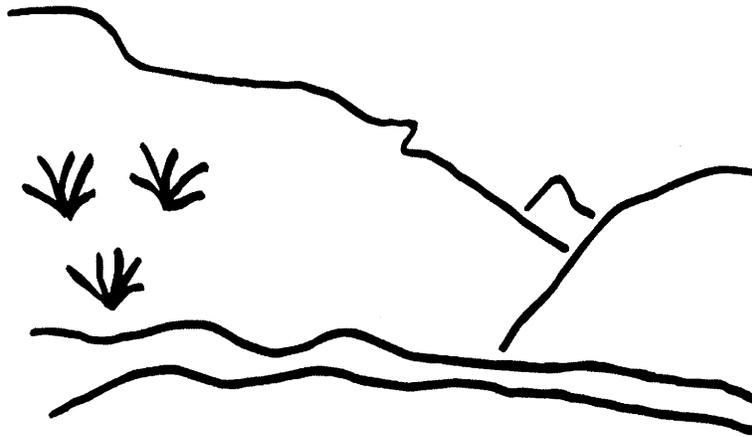
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Enclosures:

cc: Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Savage Coal Terminal
Cross Over Conveyor
ACT/007/022-AM00D
Technical Analysis
April 11, 2000

INTRODUCTION

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Savage Industries Inc. has submitted an amendment to replace the existing by-pass conveyor and bin system, (amendment #96B), with a 48" covered cross over conveyor and motor control center. The conveyor will extend approximately 405' from the existing plant feed conveyor across the road and rail loop to the main stockpile area. The motor control center will replace existing electrical components housed within the prep plant as the prep plant may be removed at a later date.

OPERATION PLAN

OPERATION PLAN**SUPPORT FACILITIES AND UTILITY INSTALLATIONS**

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

The applicant has submitted a proposal to replace the existing by-pass conveyor and bin with a cross over conveyor and motor control center. The cross over conveyor and motor control center would be located on an existing disturbed area and transport coal to currently approved coal stockpile areas.

Facilities Map 3-2 has been amended to show the proposed location of the cross over conveyor and motor control center. Plates 3-2C and 3-2D depict the detailed designs of the conveyor and motor control center.

The proposed location is within the currently disturbed area. A minor amount of additional disturbance will be required to construct the concrete footings for the motor control center. The existing drainage control and air quality protection measures should be adequate to prevent any environmental degradation. The existing Air Quality Approval order should not be affected by this proposal.

Findings:

The applicant has met the requirements for this section of the regulations. It is recommended that the final clean copies of Map 3-2 identify the location of the portable truck dump.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:**Determination of Bond Amount**

The Division reviewed the reclamation cost estimate for removing the conveyor, drop tube and MCC. The Permittee estimates the reclamation for the project at \$5,921.60. The Division concurs with that estimate. Since the increase in reclamation cost is less than 5% of the bond amount, the Division does not want to increase the bond at this time.

OPERATION PLAN

The Permittee did refer to the contingency costs and how the reclamation costs should be subtracted from the contingency amount. The contingency costs are not for future projects, but for costs that will occur during reclamation but have not yet been identified.

Findings:

The Permittee met the minimum requirements of this section.

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