



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

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August 10, 2000

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

Re: Approval of Refuse Pile Removal, Savage Industries Inc., Savage Coal Terminal,
ACT/007/022-AM00E, Outgoing File

Dear Mr. Jensen:

The above-referenced amendment is hereby approved. A stamped approved copy is enclosed for incorporation into your Mining and Reclamation Plan. A copy of our technical analysis is also enclosed for your information.

If you have any question, please call.

Sincerely,

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

Daron R. Haddock
Permit Supervisor

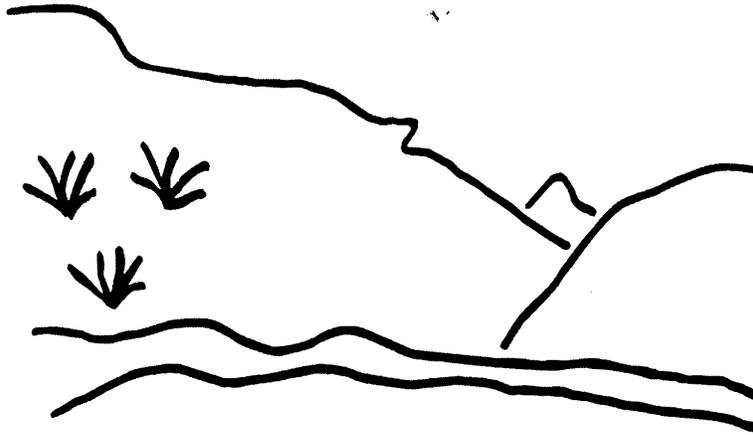
jch/sm

Enclosure:

cc: Mark Page, Water Rights w/ta
Dave Ariotti, DEQ w/ta
Derris Jones, DWR w/ta
Boyd Rhodes, Savage w/ta
Dan Guy, Blackhawk w/ta
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Savage Coal Terminal
Refuse Pile Removal
ACT/007/022- AM00E
Technical Analysis
August 9, 2000

INTRODUCTION

INTRODUCTION

Savage Industries Inc. has submitted an amendment to remove the refuse pile at the Savage Coal Terminal. Refuse has not been produced at the facility for approximately ten years and is not currently being produced. The refuse will be taken to the Sunnyside Cogeneration Facility where it will be used as fuel for power generation. Savage Industries Inc. has reached an agreement with Sunnyside Cogeneration Associates to haul approximately 400 to 600 tons/day of the refuse directly to the power plant feed. With the existing refuse pile being estimated at 684,000 tons, haulage would continue through the later part of 2004.

OPERATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Existing Structures and Facilities Maps

Plate 3-3 (refused disposal plan) of the approved operation and reclamation plan was certified by a registered professional engineer 12/19/91. The plate depicts the surface facilities and associated refuse areas referenced in this submittal. Cross sections are also delineated for each of the three refuse areas. Two additional maps were provided with this submittal. Figure A3-4-1 which identifies the sequence of refuse removal beginning in the northeast corner, and Figure A3-4-2 which shows the sample locations on refuse area #2. These maps have also been certified by a registered professional engineer.

Findings:

The current and proposed maps meet the regulatory requirements of this section of the regulations.

COAL PREPARATION PLANTS NOT LOCATED WITHIN THE PERMIT AREA OF A MINE

Regulatory Reference: 30 CFR Sec. 785.21, 827; R645-302-260, et seq.

Analysis:

The proposal is to begin removal of the refuse material in August of this year. Initially 5000 tons of material will be placed at the Sunnyside facility to provide for a small back-up or surge area as needed. Refuse area #2 contains approximately 684,000 tons of material. By removing 450 to 600 tons /day seven days a week it is estimated that the material will be removed by the latter portion of 2004. The applicant has proposed to use the area for coal storage and when no longer needed the area will be reclaimed in accordance with the approved plan.

There are several drainage controls associated with the refuse pile, they are ditches CD-7,13,culvert C-22 and an erosion protection berm. The ditches will remain in place, culvert C-22 and the protection berm will be relocated as the pile is removed. Sediment pond #5 which collects runoff from the area will remain in place during and after the refuse removal.

OPERATION PLAN

Findings:

The applicant has submitted an application to OSM requesting a determination of the applicability of reclamation fees along with information to support the request for a no value/fee determination. The applicant should keep records of the volumes of material transported to the Cogeneration facility until a determination is rendered. This application meets the requirements of the Utah Coal Regulatory Program and is recommended for approval in its' present form.

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