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

AQZ

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March 13, 2001

TO: [REDACTED]

FROM: Joseph C. Helfrich, Project Team Lead *JCH*

RE: Technical Analysis of Revised Cost Estimate & Updates, Savage Industries Inc.,
Savage Coal Loadout, ~~607122-AM01B~~

SUMMARY:

The proposal to update the reclamation cost estimate and several pages of the operation plan was received by the Division on March 13, 2001. A review of the current operation and reclamation plan indicated that minor revisions could be made to the Legal and Financial, operational, and reclamation portions of the current plan. The representatives from Savage Industries Inc. concurred. These proposed changes will accurately reflect the current operational status at the loadout facility. There will be no changes to or within the current disturbed area.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The applicant has provided current names and addresses for the officers and directors, the principal share holders, names under which the applicant and principal shareholder operated U. S. coal mines, and principals, officers and resident agents. This information is typically included in the annual report. Any updates or changes are then entered into the AVS, (Applicant Violator System).

TECHNICAL MEMO

Findings:

The information provided in the proposal is adequate to meet this section of the regulations.

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

General

The following pages of the operation plan have been revised to reflect current conditions at the loadout facility. Page 3-2 has been revised to indicate that the thickener pond had been removed in 2000. Page 3-44 has been revised to reflect the current regulatory reference for temporary cessation of operations.

Findings:

The information provided is adequate to meet this section of the regulations.

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

The current operation and reclamation plan contains a reclamation cost estimate with three appendixes. This application as proposed contains the reclamation cost estimate prepared by Wayne Western, (Senior Reclamation Specialist), and eliminates the three appendixes. The revised cost estimate, (\$2,666,000.00), is within 5 percent of the amount currently bonded for, (\$2,525,000.00). Therefore no adjustment to the current bond is required.

Findings:

The information provided is adequate to meet this section of the regulations.

RECOMMENDATION:

The application is recommended for approval at this time.