



Savage Services Corporation
2025 East 5000 South
Price, UT 84501

(435) 637-5664
Fax (435) 637-3418

October 21, 2004

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
OCT 25 2004
DIV. OF OIL, GAS & MINING

Re: New Shop/Oil Storage Building
Savage Coal Terminal
C/007/022
Carbon County, Utah

Incoming
C/007/0022
Task ID#2059

Dear Pam:

Enclosed are 3 copies of a proposed amendment to the Savage Coal Terminal M.R.P. The proposal is to replace the existing oil storage trailers with a larger, enclosed building. The new building will serve as a shop to provide an area for equipment lubrication/repair, as well as an enclosed area for oil/grease storage.

The proposed building will be within the existing disturbed area, and no changes are necessary to the existing hydrology. Also, this proposal will require no changes to vegetation, soils or air quality.

File in: *C/007/0022 2004 Incoming*

- Refer to:
- Confidential
- Shelf
- Expandable

Date *10/21/04* For additional information

If you have any questions, or need additional information, please contact Dan Guy or Boyd Rhodes.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan W. Guy".

**Dan W. Guy
for
Boyd Rhodes**

**cc: Boyd Rhodes-Savage
Steve Demczak-DOGM
File**

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/022
Title of Proposal: NEW SHOP/OIL STORAGE BUILDING.						Mine: Savage Coal Terminal
						Permittee: Savage Services Corp.

Description, include reason for application and timing required to implement:

To replace existing trailer storage.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO #
<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 proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV #
<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: Request by Division.
<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. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

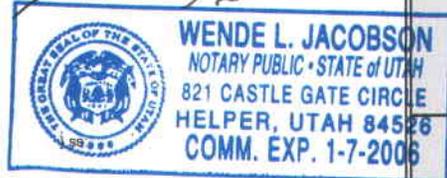
X Attach 3 complete copies of the application.

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.

Wendy L. Jacobson for Brenda Rhodes, Mgr. 10/21/04
 Signed - Name - Position - Date

Subscribed and sworn to before me this 21 day of Oct, 2004

Wendy L. Jacobson
 Notary Public
 My Commission Expires: 1-7-2006
 Attest: STATE OF Ut COUNTY OF Carbon



Received by Oil, Gas & Mining

RECEIVED

OCT 25 2004

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

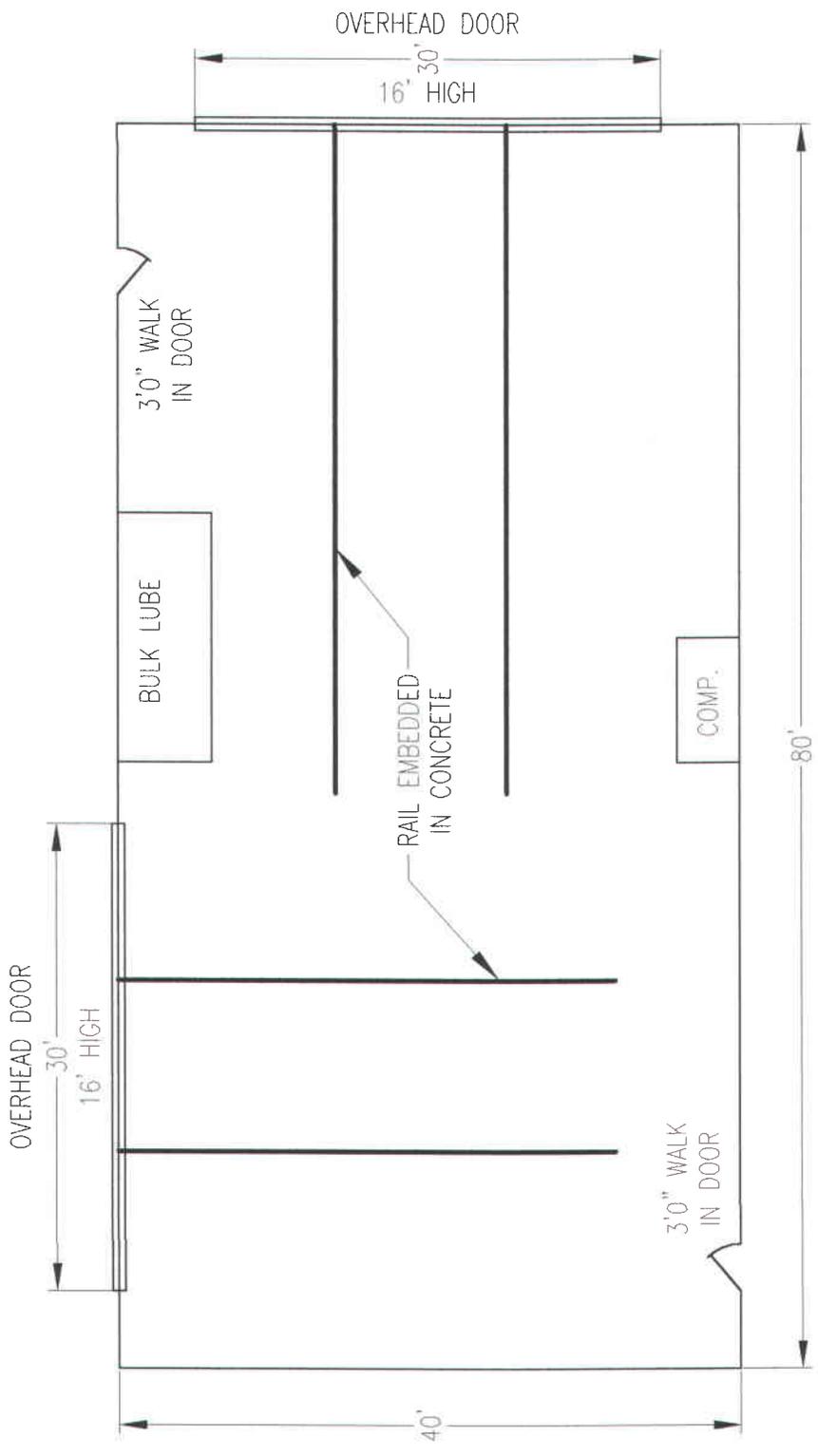
Mining and Reclamation Plan
 Castle Valley Spur Processing and Loadout Facility Permit Application

3.2.1.2 Facilities Construction Dates

The following is a list of facilities and approximate dates on which construction was begun and completed on each:

<u>Facility</u>	<u>Construction Begun</u>	<u>Construction Completed</u>
Preparation Plant	10/77	12/78
Conveyors	10/77	4/78
Silo/Loadout	10/77	4/78
Shop/Lab/Warehouse	3/80	6/80
Power Line/Substation	10/77	4/78
Pumphouse	8/78	10/78
Scales/Scalehouse	2/78	4/78
Refuse Pile	12/78	On-Going
Railroad Loop	10/77	4/78
Roads/Parking Areas	10/77	4/78
Water System	10/77	10/78
Culinary Water	8/84	9/84
Sewage System	3/80	5/80
Diversion Ditches	6/78	6/79
Sedimentation Ponds	6/78	6/79
New Shop/Oil Storage	10/4	-

09/23/04



3-1b

PRICE, UTAH

 <p>Savage Savage Industries Inc.</p>	
<p>SAYAGE COAL TERMINAL PROPOSED SHOP/OIL STORAGE BUILDING</p>	
<p>DESIGNED BY: BLACKHAWK ENGINEERING, INC.</p>	<p>SCALE: NONE</p>
<p>DATE: OCTOBER 2004</p>	<p>FIGURE NUMBER: 3-13</p>



APPENDIX 3-9

Reclamation Cost Estimate

New Shop/Oil Storage
Building

Reclamation Cost
New Shop/Oil Storage Building

Introduction : Reclamation cost estimates for the new shop oil/storage building are based on those used in Appendix 3-5 - "Reclamation Cost Estimate" dated April 2002. Demolition and Labor costs are based on the latest figures provided by the Division. No additional costs are estimated for earthwork or revegetation for this area, since these costs are included with the overall reclamation estimate in Appendix 3-5.

Procedure : The only additional reclamation costs included on this area will be the removal of the steel building and demolition/disposal of the concrete. The proposed reclamation will include removal and transport of steel structures. Concrete will be broken up and placed in the Sediment Pond No. 5 during final reclamation.

Calculations :

<u>Item</u>	<u>Size</u>	<u>Disposal</u>	<u>Cost/Unit</u>	<u>Cost</u>
Concrete	126 CY	On-Site	\$26.88/CY	\$3,386.88
Steel Building	40' x 80'x 18'	Haul	\$0.22/CF	\$12,672.00
Labor	64 Hours	-	\$35.75/MH	\$2,288.00
Foreman	32 Hours	-	\$50.00/MH	\$1,600.00
*(Trailer Removal)	Lump	-	-	(-\$1,855.00)

Summary : The total projected reclamation cost for the New Shop/Oil Storage Building is \$18,091.88. The Savage Coal Terminal is presently bonded for a total of \$2,525,000.00 this figure includes a 5% contingency of \$126,250.00. Reclamation cost for this amendment amounts to less than 14.3% of the contingency figure and only 0.72% of the posted bond.

* Cost of Trailer Removal in Appendix 3-5.