

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 21, 2006

James Jensen, Vice President
Savage Services Corporation
6340 South 3000 East
Salt Lake City, Utah 84121

Subject: Conditional Approval of Conveyor Concrete Pour to Restart Preparation Plant, Savage Services Corporation, Savage Coal Terminal, C/007/0022, Task ID #2549, Outgoing File

Dear Mr. Jensen:

The Division has reviewed the amendment received June 12, 2006 to install four conveyors in preparation for restarting the plant. As you know the Division issued Notice of Violation N06-46-3-1 as a result of unauthorized activity related to conveyor construction. Although we have yet not found your application complete, this letter authorizes you to proceed with the construction of the four conveyors with the following conditions:

R645-301-121, Provide plan and profile information in App. 3-8 for BC-05 (conveyor #1c). • In Sec. 3.2.1.2, correlate the design names of conveyors with structure reference I.D. number. I.e. Conveyor BC-02 is conveyor #1b. [PWB]

R645-301-536.200 *et seq*, the Permittee must describe how the waste generated by the washing of the Dugout Canyon Mine product will be placed for temporary storage. This description must state how controls will be implemented to ensure

- 1) mass stability and prevent mass movement
- 2) prevent combustion
- 3) provide adequate drainage. [PHH]

R645-301-830.110 The Permittee must include a copy of the Division's reclamation cost estimate in the MRP. The Division will provide either a paper or electronic copy of the reclamation cost estimates. [WHW]

Page 2
C/007/0022
Task ID #2549
July 21, 2006

Please respond to the above three deficiencies no later than August 10, 2006, so that the Mining and Reclamation Plan will include the conveyor construction information. If you have any questions please feel free to speak with the staff reviewer's whose initials follow the deficiency: Priscilla Burton [PWB] and Pete Hess [PHH] at the Price Field Office (435) 613-1146 and Wayne Western [WHW (801) 538-5263] or myself at the Salt Lake Office (801) 538-5268.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Grubaugh-Littig". The signature is written in black ink and is positioned above the printed name.

Pamela Grubaugh-Littig
Permit Supervisor

PWB/sd

cc: Boyd Rhodes, Savage w/o
Dan Guy, Blackhawk Engineering w/o
Marc Stillson, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o

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