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State of Utah
DEPARTMENT OF NATURAL RESOURCES

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Division of Oil Gas and Mining

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Division Director

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Lieutenant Governor

July 23, 2007

Mr. James T. Jensen, V.P. and Senior Counsel
Savage Services Corporation
2025 East 5000 South
Price, Utah 84501

Subject: Conditional Approval of Proposed New Conveyor #13, Appendix 3-9 / Silo Belt Feed Conveyor, Savage Services Corporation, Savage Coal Terminal, C/007/0022, Task ID #2829

Dear Mr. Jensen:

The above referenced amendment to the Savage Coal Terminal mining and reclamation plan is conditionally approved, effective July 20, 2007. In order to receive Final Approval of this addition to the surface facilities, three clean copies of the application prepared for incorporation into the MRP must be submitted to the Division by August 20, 2007.

The addition of conveyor #13 is a minor modification to the already approved plan, in that conveyor #13 was merely converted from a series of mobile conveyors to a rigid mount conveyor having a length of 375 feet. Both conveyors are or will be nearly parallel to conveyor #6, which is used to charge the rail loadout storage silo. This addition will be built inside the current disturbed area acreage. There was no topsoil removal involved, nor were there any changes required to the surface drainage control plan. The increase in the reclamation bond for this addition has also been addressed.

The Division has determined that this modification to the MRP is a minor change, and that an update of the Master Technical Analysis for the facility is not necessary at this time. Savage may proceed with the construction activities associated with this permanent conveyor installation.

If you have any questions, please call me at (801) 538-5268, or Peter Hess at (435) 613-1146, Ext. 203. Thank you.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

cc: Dan Guy, P.E., Blackhawk
Boyd Rhodes, Savage
Price Field Office

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