

C/007/022 Incoming

#4887

SAVAGE

Savage Services Corporation
Coal & Power Services Group
2025 East 5000 South
Box 1001
Price, UT 84501

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

Received 5/11/2015

Mr. Daron Haddock
Coal Regulatory Program Manager
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

APR 30 2015

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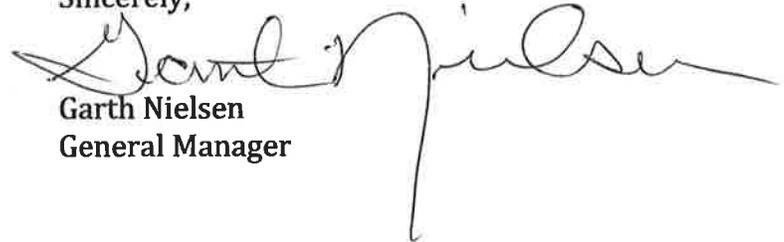
Re: Proposed Storage Track Addition
Clean Copies
Savage Services Corporation
Savage Coal Terminal
C/007/0022 , Task ID #4887

Dear Mr. Haddock:

Enclosed are 2 clean copies of the above referenced amendment, as requested in the Conditional Approval letter of April 22, 2015. The required C1/C2 Form is also enclosed.

If you have any questions, or need additional information, please let me know.

Sincerely,



Garth Nielsen
General Manager

Cc: Dan Guy
File

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Savage Services Corporation

Mine: Savage Coal Terminal

Permit Number:

C/007/0022

Title: Proposed Storage Track Addition

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

To add a rail car storage track. (Clean Copies)

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: Clean copies requested by Division.

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- Yes No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

Garth Nielsen

General Manager

04/30/2015

[Signature]
Signature (Right-click above choose certify then have notary sign below)

Print Name

Position

Date

Subscribed and sworn to before me this 29 day of April, 2015

Notary Public: Tami L McKenrick, state of Utah.

My commission Expires: 11/10/2018

Commission Number: U80287

Address: 1393 So. 600 W.

City: Price

State: UT Zip: 84301



For Office Use Only:

Assigned Tracking Number:

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Railroads

A major railroad grade embankment (approximately 4'-12' in height) is located on the eastern edge of the site, immediately outside of the permit area. This grade supports the main rail line(s) and is owned and maintained by the Denver and Rio Grande Western Railroad. This line will undoubtedly remain in service after closure of the Savage Coal Terminal.

The railroad loop within the Savage Coal Terminal is owned by Savage Services Corporation. It consists of a single set of tracks slightly elevated (3') above natural ground. This rail serves as a loop for the unit trains to travel head-first into the silo, eliminating the need for engine switching. The loop is 8,340 feet long. This rail line will be used and maintained throughout the Savage Coal Terminal operational life.

An additional storage track will be added in 2015. This track will be located on the outside of the western portion of the existing railroad loop. This storage track will be approximately 1935' in length and will be offset 20' from the present track, as shown on Plate 5-5.

Grades and typical cross-section of the rail loop are shown on Plate 5-5, "Railroad Facilities".

Conveyors

There are eighteen (18) separate, permanent conveyor runs at the Savage Coal Terminal (see Figure 5-7). In addition, there are temporary, portable conveyors used on the site. The number and location of the temporary conveyors varies according to need.

Conveyor #1 - 36" x 250' long stacking conveyor from the truck dump to the raw coal stacking tube.

Conveyor #1a - 36" x 250' long stacking tube conveyor from the above raw coal stacking tube to a new steel stacking tube. (Appendix 3-8 BC-01)

Conveyor #1b - 36" x 233' conveyor from new stacking tube area to wash plant. (Appendix 3-8 BC-02)

Conveyor #1c - 36" x 130' stacking conveyor from wash plant to clean coal pile on north side. (Appendix 3-8 BC-05)

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Conveyor #1d - 36" x 200' conveyor for -1/4" coal from wash plant to raw coal pile to west. (Appendix 3-8 BC-03)

Conveyor #1e - 36" x 101' conveyor to carry refuse from the wash plant to the refuse bin. (Appendix 3-8 BC-04)

Conveyor #2 - 36" x 300' reclaim conveyor from raw coal pile to conveyor #9.

Conveyor(s)#3-(2) 36" x 365' clean fine and coarse coal conveyors from the plant to the clean coal stacking tube.

Conveyor #4 - 36" x 225' clean fine coal transfer conveyor from coarse coal stacking tube to fine coal stacking tube.

Conveyor #5 - 48" x 600' clean coal reclaim conveyor from clean coal piles to transfer in loadout sample building.

Conveyor #6 - 48" x 660' loading conveyor from transfer point in sample building to 10,000 ton silo.

Conveyor #7 - This conveyor is 36" x approximately 350' and runs from the new truck dump to a crushed coal stacking tube.

Conveyor #8 - 42" x 150' conveyor from the new truck dump to the twin 36" conveyors described in #3 above.

Conveyor #9 - 48" x 440' conveyor from the plant feed belt to the clean coal stacking tube area.

Conveyor #10 - 48" x 728' elevated conveyor from truck loop storage area to conveyor #9.

Conveyor #11 - 48" x 246' feed conveyor from the truck loop storage area to conveyor #10.

Conveyor #12 - 48" x 564' surface transfer system to move coal from the track loop storage area to conveyors #10 and #11.

Conveyor #13 - 48" x 375' feed conveyor from storage area to silo feed conveyor #6.

Grades of all conveyors are shown on Figure 5-7. "Conveyors - Loadout & Grades". All surface conveyors are covered and equipped with walkways. All conveyors will be used throughout the Savage Coal Terminal operational life.

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APPENDIX 5-5
STORAGE TRACK ADDITION

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Appendix 5-5

Storage Track Addition

Project Description

Savage Services Corporation is proposing to add approximately 1935' of additional track on the outside of the western portion of the existing rail loop. The proposed new track will be offset 20' from the present track and will run from the existing ABA Yard Belt Transfer Tower to the existing South Entrance Railroad Crossing, as shown on Plate 5-2 "Facility Map". This addition will allow for temporary storage of approximately 33 rail cars.

Environmental Considerations

The entire proposed project is to be within the existing disturbed area. There will be no changes to the soils, biology, geology or hydrology (including drainage) as a result of this amendment. Proposed bonding costs are provided in the following section.

Bonding

The additional storage track will be a permanent structure, which will need to be removed upon completion of operations. The following is an estimated cost for the demolition of this storage track. The costs are based on those provided by the Division and incorporated into the MRP as Appendix 8-1 on 3/27/12.

Structure Description

Added Rail - 1935 ft. = 0.37 miles.

Demolition Cost

<u>Item</u>	<u>Length</u>	<u>Unit Cost</u>	<u>Cost</u>
Rail	0.37 mi	\$10,000 /mi	\$ 3,700.00
+Indirect Cost @ 26.8%			992.00
Total =			<u>\$ 4692.00</u>

Note: The estimated reclamation cost for this site, including this project is \$2,312,000.00, escalated to 2016. The bond posted for the site is \$2,525,000.00, which is \$213,000.00 more than required. The cost breakdown is shown in Appendix 8-1, on the new spreadsheet total provided by the Division.

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Direct Costs

Demolition	
Backfill and Grading	
Revegetation	
Sub Total Direct Costs	\$1,697,320.00

Indirect Costs

Mob/Demob		10.0%
Contingency		5.0%
Engineering Redesign		2.5%
Main Office Expense		6.8%
Project Mainagement Fee		2.5%
Sub Total Indirect Costs	\$454,882.00	26.8%

Total Reclamation Cost / 2011 Dollars (MTR 4050) \$2,152,202.00

Escalation Dollars to 2012 (\$ 32,283)	\$2,184,485.00	1.015
Escalation Dollars for 2013 (\$ 41,505)	\$2,225,990.00	1.019
Escalation Dollars for 2014 (\$ 26,712)	\$2,252,702.00	1.012
Escalation Dollars for 2015 (\$ 27,032)	\$2,279,734.00	1.012
Add Direct Cost / 1935' track demo (TID 4887)	\$3,700.00	
Add Indirect Cost / 1935' track demo (26.8 %)	\$992.00	

Total Escalated Reclamation Cost for 2015 \$2,284,426.00

Escalation to 2016 (next Mid-term Permit Review) \$27,413.00 1.012

Total Escalated Reclamation Cost to 2016 \$2,311,839.00

Required Bond Amount (Rounded to Nearest \$ 1,000) \$2,312,000.00

Posted Bond 2 / 27 / 2004 \$2,525,000.00

Difference Between Posted Bond and Required Bond \$213,000.00

% Difference 8.44%

Note: Track Demo Cost of \$10,000 per mile pulled from
 2011 Non RS Means (Contractor Rate)

Demolition Costs

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Structure's Demolition Cost	Reclaim Side Track	Non-Means	\$10,000	Qty	5.280										Feet		1935	feet	\$ 1,894.7
	Structure's Vol. Demolished															feet		1935	feet	\$3,687
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Reuse	(includes life and ballast removal)																		
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Reuse																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Subtotal																			
	Equipment & Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			

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