CHAPTER 8
BONDING AND INSURANCE

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CHAPTER 8
BONDING AND INSURANCE

810 Bonding Definitions and Division Responsibilities

This chapter provides information regarding the bonding for coal mining and reclamation operations at the Mine. The applicant has on file with the UDOGM a bond or bonds made payable to the UDOGM for performance of all the requirements of the State Program.

820 Requirement to File a Bond

The area covered by the bond is outlined on Plates 5-2 (Mine) and 4-1 (WRDS), which cover the disturbed areas. The disturbed areas to be reclaimed are listed in Section 114. The performance bond period is for the duration of the coal mining and reclamation operations including the extended period designated by the UDOGM. The bond is in the form of a surety bond and is described in Section 860.

830 Determination of Bond Amount

The present bond should be sufficient to assure the completion of the reclamation plan. The estimated cost to reclaim the Mine surface facilities is provided in Appendix 5-1. However, if an adjustment in the bond coverage is necessary, the amount will be increased/decreased per the UDOGM’s requirements.
840 General Terms and Conditions of the Bond

The performance bond is in the amount determined by the UDOGM as described in Section 830 and payable to the UDOGM. In the event the surety company becomes insolvent, the UDOGM will be notified by the permittee. The surety company and permittee will notify the UDOGM of any changes in the bonding terms for Canyon Fuel Company LLC, Fossil Rock Mine. Duration of the bond is described in Section 820.

850 Bonding Requirements for Underground Coal Mining and Reclamation Activities and Associated Coal-Related Surface Facilities

The applicant qualifies for a long-term period of liability and therefore will comply with the stipulation that the bond coverage be extended 30 days prior to the expiration of the bond term. A performance bond for a new term will be submitted to the UDOGM prior to expiration of coverage.

860 Forms of Bonds

The surety bond for the applicant has been executed per the documentation within the reclamation agreement. The surety bond will be non-cancellable during its term except with the prior consent of the Division of Oil, Gas and Mining (UDOGM).
870 Replacement of Bonds

Fossil Rock Mine does not currently plan to replace the bond for the permit area. However, should a replacement bond be required, the replacement bond will be submitted to and approved by the UDOGM prior to the cancellation of the original bond.

880 Requirements to Release Performance Bonds

The applicant will comply with the requirements described in Section R645-301-880 of the UDOGM regulations when applying for the release of performance bonds.

890 Terms and Conditions for Liability Insurance

Certificates of Insurance issued to Canyon Fuel Company LLC, Fossil Rock Mine are submitted to the Division upon renewal. The policy provides for personal injury and property damage protection concurrent with the amounts designated in R645-301-890.100. Said Certificates of Insurance are applicable to coal mining and reclamation operations as proposed in the Fossil Rock Mine M&RP.

The insurance policy will be maintained in full force during the life of the permit including the liability period necessary to complete all reclamation operations. The policy will include a rider stating that the UDOGM be notified of any changes in the policy including termination or failure to renew.