*Please note – on May 11, 2011, Intermountain Power Agency ("IPA") acquired the Wildcat Loadout from Andalex Resources, Inc. ("Andalex"). References to Andalex will therefore occur herein. However, permit actions from May 11, 2011 forward will be the responsibility of IPA, regardless whether Andalex is referenced as the responsible party for such actions.
# CHAPTER 8

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>R645-301-800</td>
<td>BONDING AND INSURANCE</td>
<td>8-1</td>
</tr>
<tr>
<td>R645-301-810</td>
<td>BONDING DEFINITIONS AND DIVISION RESPONSIBILITIES</td>
<td>8-2</td>
</tr>
<tr>
<td>R645-301-820</td>
<td>REQUIREMENT TO FILE A BOND</td>
<td>8-2</td>
</tr>
<tr>
<td>R645-301-830</td>
<td>DETERMINATION OF BOND AMOUNT</td>
<td>8-2</td>
</tr>
<tr>
<td>R645-301-840</td>
<td>GENERAL TERMS AND CONDITIONS OF THE BOND</td>
<td>8-2</td>
</tr>
<tr>
<td>R645-301-850</td>
<td>BONDING REQUIREMENTS FOR UNDERGROUND MINING OPERATIONS</td>
<td>8-2</td>
</tr>
<tr>
<td>R645-301-860</td>
<td>FORMS OF BONDS</td>
<td>8-3</td>
</tr>
<tr>
<td>R645-301-870</td>
<td>REPLACEMENT OF BONDS</td>
<td>8-3</td>
</tr>
<tr>
<td>R645-301-880</td>
<td>REQUIREMENT TO RELEASE PERFORMANCE BONDS</td>
<td>8-3</td>
</tr>
<tr>
<td>R645-301-890</td>
<td>TERMS AND CONDITIONS FOR LIABILITY INSURANCE</td>
<td>8-3</td>
</tr>
</tbody>
</table>
CHAPTER 8, BONDING

HISTORICAL NOTE: In 2004, the Division issued an Order DO-04 for wind-blown fines which had accumulated outside the disturbed area, primarily in the area southwest of the main coal storage pile below sediment Pond B. A complete description of the mitigation plan proposed for DO-04 is included in Appendix P.

A proposed crude oil unloading station, storage system, and railcar loading stations will be located on the west side of the Utah Railroad tracks. These facilities will be bonded before any implementation or construction is started.

R645-301-800. BONDING AND INSURANCE

IPA currently holds a bond, calculated and approved by the Division, in the amount of $1,481,000 proposed new amount of $1,192,000 due to the removal of the crude oil unloading, storage and rail loading system. This bond, and all supporting calculations, is included in this MRP in Appendix B, Part D.

It should be noted that only major headings and information specific to the IPA Wildcat Bond and Insurance are included in this chapter. If a major heading is noted "N/A" or "By Division" all subsequent headings in that series are also assumed "N/A" or "By Division".

R645-301-810. BONDING DEFINITIONS AND DIVISION RESPONSIBILITIES

BY DIVISION

R645-301-820. REQUIREMENT TO FILE A BOND

IPA currently holds a bond, approved by UDOGM in the amount of $1,481,000/$1,192,000 and it is included in this MRP in Appendix B, Part D.

R645-301-830. DETERMINATION OF BOND AMOUNT

The bond amount has been determined through joint effort by IPA and the Division. The present amount of bond is $1,481,000.00/$1,192,000.00. Complete calculations are included in Appendix B, Part D. Bonded areas (disturbed areas) are shown on Plates 1 and 1B and further described in R645-301-542
R645-301-840. GENERAL TERMS AND CONDITIONS OF THE BOND

All pertinent bond information and details are included in Appendix B, Part D.

R645-301-850. BONDING REQUIREMENTS FOR UNDERGROUND MINING OPERATIONS

Appendix B, Part D

R645-301-860. FORMS OF BONDS

Appendix B

R645-301-860.200 COLLATERAL BONDS

Appendix B

R645-301-860.220 LETTERS OF CREDIT

Appendix B

(Note: All other sections of R645-301-860 except those noted are N/A).

R645-301-870. REPLACEMENT OF BONDS

N/A

R645-301-880. REQUIREMENT TO RELEASE PERFORMANCE BONDS

N/A -- UNTIL FINAL RECLAMATION

R645-301-890. TERMS AND CONDITIONS FOR LIABILITY INSURANCE

Required Liability Insurance Policy and information is included.

8-2
in Appendix B, Part C