

Willis

July 8, 1999

Utah Dept. of Natural Resources
Division of Oil, Gas &
Mining
Suite 1210
Salt Lake City, UT 84114-5801

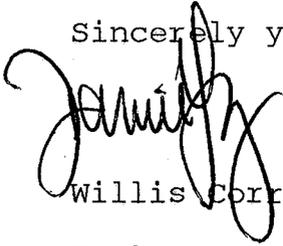
7 Hanover Square
New York, NY 10004-2594
Telephone 212-344-8888
Fax 212-344-8511
Cable NOORROC
Telex:
Domestic 12-8283
International 421034-ITT

Dear Certificate Holder:

Enclosed is the Certificate of Insurance issued on behalf of
Lodestar Energy, Inc. and subsidiaries.

Should you have any questions please feel free to call.

Sincerely yours,



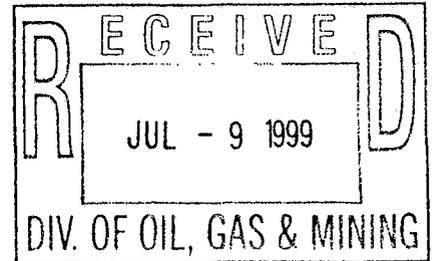
Willis Corroon Corporation of New York

Enclosure

cc: Lodestar Energy, Inc. and subsidiaries
Reliance Insurance Company
Reliance National Insurance Company

*ACT/007/001
#4*

*Certificate
Orig. to Insproff
Copy to #4,
James PTO*



Willis Corroon
Corporation of
New York
Insurance Brokers
Consultants

ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER
Willis Corroon Corporation of New York
7 Hanover Square
New York NY 10004-2594
(212) 344-8888

89613

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

Daniel Leung

COMPANY **A** Reliance Insurance Company

INSURED

Lodestar Energy, Inc. and subsidiaries
333 West Vine Street
Suite 1700
Lexington KY 40507

COMPANY **B** Reliance National Insurance Company

COMPANY **C**

COMPANY **D**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	NGBO144-018	01-FEB-1999	31-AUG-1999	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 2,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 500,000
					MED EXP (Any one person) \$ 5,000
A	AUTOMOBILE LIABILITY	NKA0144-017	01-FEB-1998	31-AUG-1999	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE \$
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TBD	09-JUL-1999	09-JUL-2000	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$
					EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EA EMPLOYEE \$
	OTHER				

RECEIVED
 JUL - 9 1999
 DIV. OF OIL, GAS & MINING

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

SEE ATTACHED

CERTIFICATE HOLDER

Utah Dept. of Natural Resources
Division of Oil, Gas & Mining
Suite 1210
Salt Lake City UT 84114-5801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL SEND BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT,

AUTHORIZED REPRESENTATIVE

Daniel Leung

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<p>INSURED</p> <p style="text-align: right;">89613</p> <p>Lodestar Energy, Inc. and subsidiaries 333 West Vine Street Suite 1700 Lexington KY 40507</p>	<p>PRODUCER</p> <p>Willis Corroon Corporation of New York 7 Hanover Square New York NY 10004-2594 (212) 344-8888</p> <p>Daniel Leung</p>
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COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit #ACT/007/001, White Oak Mines Complex, located at: Mine Road, off Eccles Canyon Rd., off Route 96, near Scofield, UT.

The General Liability policy includes explosives coverage.

CERTIFICATE HOLDER

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Suite 1210
Salt Lake City UT 84114-5801

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~~BY FAX DIRECT MAIL SUCH NOTICE SHALL BE DEEMED TO HAVE BEEN GIVEN TO THE CERTIFICATE HOLDER BY THE ISSUING COMPANY OR ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

Daniel Leung