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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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6K

October 16, 2001

FACSIMILE
1-(865)-588-0635

Mr. James Swing
Olympic Insurance Group

Re: Requirement to file Certificate of Liability Insurance, Lodestar Energy, Inc., White Oak Mine, C007/001, Outgoing File

Dear Mr. Swing

As we discussed in our phone conversation, I am faxing you a copy of our regulations dealing with requirements for liability insurance at coal mines. As you can see, each mine is required to submit a certificate verifying that they have a public liability insurance policy in force for the period of mining. The certificate is to verify general liability insurance and is not for worker's compensation. The rules are fairly clear as to what needs to be included in the policy. They are listed below.

R645-301-890. Terms and Conditions for Liability Insurance.

890.100. The Division will require the applicant to submit as part of its permit application a certificate issued by an insurance company authorized to do business in Utah certifying that the applicant has a public liability insurance policy in force for the coal mining and reclamation activities for which the permit is sought. Such policy will provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage will be \$300,000 for each occurrence and \$500,000 aggregate.

890.200. The policy will be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

890.300. The policy will include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

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Mr. James Swing
C/007/001
October 16, 2001

I hope you find this information useful. Please call me at (801) 538-5325 if you have any other questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being the most prominent part.

Daron R. Haddock
Permit Supervisor

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