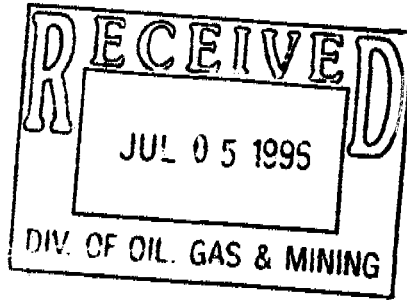




AON NATURAL RESOURCES WORLDWIDE

June 28, 1996



State of Utah
Dept of Natural Resources Div of Oil & Mining
1594 W North Temple
Ste 1210
Salt Lake City, UT 84114

RE: Castle Gate Mine

Dear Sir:

Please find original certificate of insurance evidencing liability coverages effective 7/1/96.

If you should have any questions or would like to discuss, give me a call.

Regards,

Heather McKnitt
Assistant Account Administrator

/hm
Enclosure

cc: Margaret Gibson-ANR

ACT/007/004
Original to fileproof file
Copy to #4 in Perm
in Permit
Rudes

CERTIFICATE OF LIABILITY INSURANCE
Issued To:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
-00000-

THIS IS TO CERTIFY THAT:

National Union Fire Insurance Company

(Name of Insurance Company)

675 Bering Drive, Houston, TX 77057

(Home Office Address of Insurance Company)

HAS ISSUED TO:

Cyprus Amax Minerals Company including Amax Coal Holding Company

(Name of Permittee)

Castle Gate Mines

(Mine Name)

ACT/007/004

(Permit Number)

CERTIFICATE OF INSURANCE:

RMGL1437605

(Policy Number)

7/1/96

(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per R645-301-890 Terms and Conditions for Liability Insurance:

- A. The DIVISION shall require the PERMITTEE to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall 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 surface 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 shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall 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.

CERTIFICATE OF LIABILITY INSURANCE

- C. The policy shall 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.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

Steve G. McKinnon

(Agent's Name)

Aon Natural Resources Worldwide

(Company Name)

2000 Bering Drive, Suite 900

(Mailing Address)

(713) 783-6640

(Phone)

Houston, TX 77057

(City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his/her knowledge and belief, and that he/she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

6/28/96 Mr. Steve McKinnon

(Date, Signature and Title of Authorized Agent of Insurance Company)

Steve McKinnon

Signed and sworn before me by

Steve G. McKinnon

this 28TH day of JUNE, 19 96.

[Signature]
(Signature)

My Commission Expires:

APRIL 24, 2000

(Date)

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