0025

ACT/007/005

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

July 8, 1987

TO: John Whitehead, Permit Supervisor
Sue Linner, Permit Supervisor

FROM: Pamela Grubaugh-Littig, Reclamation Engineer

RE: Liability Insurance Update

Enclosed is a copy of the recent liability insurance update. The following operators do not have current certificates of insurance.

Operation	Date Expired
ACT/007/004 Price River Complex (Castle Gate Coal Co.)	4/ 1/87
ACT/007/005 Skyline Mine (Coastal States)	1/ 1/86
007/006 Star Point Mine (Plateau Mining Company)	7/ 1/87
007/019 Centennial Project (Andalex Resources)	7/ 1/86
007/021 Blazon #1 (North American Equities)	12/21/86
015/007 Hidden Valley Mine (California Portland Cement Co.)	7/ 1/87
015/032 Crandall Canyon (Genwal Coal Company)	12/ 6/86
041/002 Convulsion Canyon (SUFCO)	1/ 1/87
043/008 Boyer Mine (Summit Coal Company)	6/10/87

At the July 6, 1987 Division inspection meeting, the procedure to handle these lapses was outlined (see attached Memo to File from me dated July 7, 1987).

djh
Attachment(s)
cc: J. Helfrich
9075R/35

LIABILITY INSURANCE FOR COAL MINES

AS OF JUNE 30. 1987

NAME OF PROJECT	POLICY NUMBER	PRIMARY INSURANCE COMPANY (BEST'S RATING) 1986	EFFECTIVE DATES	UMBRELLA POLICY NO.	OTHER INSURANCE COMPANIES	EFFECTIVE DATES
VALLEY CAMP OF UTAH. INC. BELINA MINES ACT/007/001	GL 994843	HOME INDEMNITY COMPANY (A)	4/1/87-4/1/88			
BLACKHAWK COAL CO. EASTERN COAL RESERVES ACT/007/002	60871	ACCELERATION NATIONAL INSURANCE COMPANY (A)	6/30/87-6/30/88			
CASTLE GATE COAL CO. PRICE RIVER COMPLEX ACT/007/004	SRL3347426	CONTINENTAL INS. CO. (A) "CLAIMS MADE POLICY" VS. "OCCURRENCE"	4/1/86-4/1/87			
COASTAL STATES ENERGY SKYLINE MINE ACT/007/005	CFG-60352096-1	HARTFORD INSURANCE GROUP (A+)	1/1/85-1/1/86			
PLATEAU MINING CO. STARPOINT ACT/007/006	ZC 46784	OLD REPUBLIC INSURANCE COMPANY (A)	7/1/86-7/1/87			
KAISER COAL CORP. SUNNYSIDE ACT/007/007	GLA 5010595 RA	NATIONAL UNION FIRE INSURANCE CO. (A+)	4/1/87-4/1/88			
SUNEDCO COAL CO. SAGE POINT-DUGOUT ACT/007/009	T-SLG-186T908-A	TRAVELERS INDEMNITY INSURANCE CO. (A)	4/1/85-INDEFINITE (UNTIL CANCELLED)			
U. S. FUEL CO. HIAWATHA COMPLEX ACT/007/011	GLA 1979887	NATIONAL UNION FIRE INSURANCE CO. (A+)	10/1/86-10/1/87	CIC 100486	CHESAPEAKE INS. CO.( )	10/1/86-10/1/87
KAISER COAL CO. WELLINGTON PREP. ACT/007/012	GLA 5010595 RA	NATIONAL UNION FIRE INS. CO. (A+)	4/1/87-4/1/88			

NAME OF PROJECT	POLICY NUMBER	PRIMARY INSURANCE COMPANY (BEST'S RATING)	EFFECTIVE DATES	UMBRELLA POLICY NO.	OTHER INSURANCE COMPANIES	EFFECTIVE DATES
KAISER COAL CORP. GENEVA ACT/007/013	GLA 5010595 RA	NATIONAL UNION FIRE INSURANCE CO. (A+)	4/1/87-4/1/88			
BEAVER CREEK COAL CO. GORDON CREEK #2 & #7 ACT/007/016	SCG GO 9690657	INSURANCE COMPANY OF NORTH AMERICA (A)	1/1/87-1/1/90			
BEAVER CREEK COAL CO. GORDON CREEK #3 & #6 INA/007/017	SCG GO 9690657	INSURANCE COMPANY OF NORTH AMERICA (A)	1/1/87-1/1/90			
SOLDIER CREEK COAL CO. SOLDIER CANYON ACT/007/018	T-SLG-186T908-A	TRAVELERS INDEMNITY INSURANCE CO. (A)	4/1/85-INDEFINITE (UNTIL CANCELLED)			
ANDALEX RESOURCES CENTENNIAL PROJECT ACT/007/019	ZC-42222	OLD REPUBLIC INSURANCE CO. (A)	7/1/85-7/1/86			
NORTH AMERICAN EQUITIES BLAZON #1 INA/007/021	PLUD 91865	ROYAL INSURANCE CO. (A)	12/21/85-12/21/86			
BEAVER CREEK COAL CO. C. V. SPUR ACT/007/022	SCG GO 9690657	INSURANCE COMPANY OF NORTH AMERICA (A)	1/1/87-1/1/90			
WESTERN STATES MINERALS J. B. KING PRO/015/002	GLA 156 1444	NATIONAL UNION FIRE INSURACE CO. (A+)	4/1/85 UNTIL CANCELLED			
BEAVER CREEK COAL CO. HUNTINGTON #4 INA/015/004	SCG GO 96906575	INSURANCE COMPANY OF NORTH AMERICA (A)	1/1/87-1/1/90			
CALIFORNIA PORTLAND CEMENT CO. HIDDEN VALLEY MINE INA/015/007	CCP001704107	TRANSPORTATION INSURANCE COMPANY (A+)	7/1/86-7/1/87	RDX001704134	CONTINENTAL CASUALTY CO.	

NAME OF PROJECT	POLICY NUMBER	PRIMARY INSURANCE COMPANY (BEST'S RATING)	EFFECTIVE DATES	UMBRELLA POLICY NO.	OTHER INSURANCE COMPANIES	EFFECTIVE DATES
NEVADA POWER COMPANY WILD HORSE RIDGE PROJ. CEP/015/007	XL-170-A86	SELF-INSURED	10/1/86-10/1-87			
DIAMOND SHAMROCK COAL (ARCH MINERAL CORP.) TRAIL MOUNTAIN COAL CO. TRAIL MOUNTAIN ACT/015/009	GL5403353RA	NATIONAL UNION FIRE INS. CO. OF PA. (A+)	7/1/87-7/1/88			
CONSOLIDATION COAL CO. EMERY DEEP ACT/015/015	10 CLR P12439E	HARTFORD ACCIDENT & INDEMNITY CO. (A+)	1/1/86-UNTIL CANCELLED			
UTAH POWER & LIGHT DES-BEE-DOVE ACT/015/017	87D5006-1A& 1B	LLOYDS OF LONDON ($2.000.000 DEDUCTIBLE) (SELF-INSURANCE)	5/1/87-5/1/88			
UTAH POWER & LIGHT DEER CREEK ACT/015/017	87D5006-1A & 1B	LLOYDS OF LONDON ($2.000.000 DEDUCTIBLE) (SELF-INSURANCE)	5/1/87-5/1/88			
UTAH POWER & LIGHT WILBERG ACT/015/019	87D5006-1A & 1B	LLOYDS OF LONDON ($2.000.000 DEDUCTIBLE) (SELF-INSURANCE)	5/1/87-5/1/88			
CO-OP MINING CO. TRAIL CANYON ACT/015/021	EGACM 154-4927RA	NATIONAL UNION FIRE INSURANCE CO.) (A+)	7/11/86-7/11/87			
CO-OP MINING CO. BEAR CANYON ACT/015/025	EGACM 154-4927RA	NATIONAL UNION FIRE INS. CO. (A+)	7/11/86-7/11/87			
GENWAL COAL CO. CRANDALL CANYON ACT/015/032	EGACM 154 4585	AIG ENERGY (NATIONAL UNION FIRE) (A+)	12/6/85-12/6/86			

NAME OF PROJECT	POLICY NUMBER	PRIMARY INSURANCE COMPANY (BEST'S RATING)	EFFECTIVE DATES	UMBRELLA POLICY NO.	OTHER INSURANCE COMPANIES	EFFECTIVE DATES
SOUTHERN UTAH FUEL CO.						
CONVULSION CANYON		INS. CO. OF NORTH				
ACT/041/002	HDL-G05113866	AMERICA (A)	1/1/86-1/1/87			
COAL SEARCH CORP.						
KNIGHT		UNITED STATES FIDELITY				
ACT/041/005	ICC 034399299	& GUARANTY CO. (A+)	11/16/83-UNTIL CANCELLED			
NEW TECH MINING CO.						
BLACK JACK #1						
PRO/019/004	NO INSURANCE					
SUMMIT MINERALS, INC.	NO INSURANCE					
BLACKHAWK MINE						
INA/043/001						
SUMMIT COAL CO.						
BOYER MINE		OLD REPUBLIC INSURANCE				
CEP/043/008	ZC 46767	CO. (A)	6/10/86-6/10/87			

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COAL BONDS

As of June 30, 1987

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating) 1986	Date Posted	Cost/Ac	Date Permit Issued
1983	Valley Camp of Utah, Inc. Belina Mines ACT/007/001	79	$1,521,000.00	Surety	Federal Insurance Co. #8099-56-50 (A+)	6/29/84		
			$190,000.00	Surety	Federal Insurance Co. #8093-48-78 (A+)	4/5/83		
			$16,000.00	Contract	Board of Oil, Gas & Mining	9/22/76	$21,861.00	8/24/84
mid-1986	Blackhawk Coal Company Eastern Coal Reserves Price River Complex INA/007/002	134.5	$2,585,609.00	Surety	Safeco Insurance Co. #4815289 (A+)	7/12/84 (original posted) $91,550 (released 7/85 by DOGM) 8/13/85 (updated)	$19,224	12/24/84
1987	Castle Gate Coal Co. Price River Complex ACT/007/004	134.5	$2,683,603.00	Surety	National Fire Insurance Company of Hartford #929-80-55 (A+)	1/31/86	$19,952	Request for Permit transfer
1979	Coastal States Energy Skyline ACT/007/005	75.8 with #2 vent shaft	$1,850,500.00	Surety	Highlands Insurance Co. #965382 (A+)		$24,413.00	6/20/80
1986	Plateau Mining Co. Starpoint ACT/007/006	221.65	$3,407,322.00	Surety	Aetna Casualty & Surety Co. (A) 645100208576BCA (A)	11/26/85	$15,373.00	1/27/82
1990	Kaiser Coal Corp. Sunnyside ACT/007/007	287.4	$3,397,349.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining and OSM	1/6/86 Filed Chap. 11 2/13/87	$11,821.00	1/6/86

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1984	Sunedco Sage Point-Dugout ACT/007/009	No disturbance	($611,875.00 Released)	Surety (Released)	Federal Insurance Co. #8090-86-10 (A+) (Released)	12/8/80 (Revised 4/84)	Bond released 5/19/87 No disturb.	(Permit Revoked) 5/19/87
1991	U. S. Fuel Co. Hiawatha Complex ACT/007/011	290	$1,450,000.00 $2,329,000.00	Surety Self Bonding & IndemnityAgrmt.	Insurance Company of North America K01733369 (A) DOGM and OSM	4/15/83 12/16/86	$ 8,031.00	3/13/87
1989	Kaiser Coal Corp. Wellington Prep. ACT/007/012	356	$4,360,775.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining	1/31/86 Filed Chap. 11 2/13/87 NOV-6/29/87	$12,249.00	12/10/84
Interim (1989 dollars)	Kaiser Coal Corp. Geneva (Horse Canyon) ACT/007/013	50	$918,649.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining and OSM	11/4/85 Filed Chap. 11 2/13/87 2/13/87 NOV-6/29/87	$18,373.00	Transferred 11/4/85
1989	Beaver Creek Coal Co. Gordon Creek #2 & #7 ACT/007/016	17.2	$641,443.00 $ 45,900.00	Surety Surety	Federal Insurance Co. #8100-39-72 (A+) #8082-93-00	11/28/84 11/22/77	$37,293.00	8/27/84
1991	Beaver Creek Coal Co. Gordon Creek #3 & #6 INA/007/017	17.3	$346,000.00 ($337,967 calculated)	Surety	Federal Insurance Co. #8094-24-79 (A+)	12/26/85	$20,000.00	
1989	Soilder Creek Coal Co. Soldier Canyon ACT/007/018	7	$522,592.00	Surety	Federal Insurance Co. #8107-37-63 (A+)	8/15/85 Rider (Name change)	$74,656.00	6/10/85 Transferred

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1986	Andalex Resources Centennial Project ACT/007/019	30.7	$381,839.00	Surety	Utica Mutual Insurance Co. #34593 (A)	5/16/83	$12,438.00	1/4/82
1986	North American Equities Blazon #1 INA/007/021	1.5 To be reclaimed (bonded) (3.15 to Otani)	$48,400.00	Letter of Credit	First Interstate Bank of Denver SB 53623 - A	10/25/85 (expires 10/26/86) Renewed to 10/25/87	$15,125.00	11/12/85
1989	Beaver Creek Coal Co. C. V. Spur ACT/007/022	160	$2,017,669.00	Surety	Federal Insurance Co. #8094-24-78-A (A+)	7/30/84	$12,610.00	8/6/84
1996	Western States Minerals J. B. King INA/015/002	28	$126,078.00	Surety	Seaboard Surety Co. #104570 (A+)	4/28/86 (Phase I bond release - 60% $185,216)	$ 4,503.00	8/13/85
1989	Beaver Creek Coal Co. Huntington #4 INA/015/004	12.5	$144,041.60	Surety	Federal Ins. Co.-- #8082 89 88 (A+) Rider	4/15/85 (Phase I-$216,062 60% bond release effective 11/10/86) rider - 12/31/86	$ 11,523.00	4/29/85 12/12/86
1987	California Ptld. Cmt. Co. Hidden Valley Mine INA/015/007	6.7	$171,515.00	Surety	St. Paul Fire & Marine Ins. Co. #400 HJ 8041(A)	12/30/86	$ 25,600.00	

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1989	Diamond Shamrock Coal Unit Trail Mtn. Coal Co. Trail Mountain ACT/015/009	8.8	$463,711.00	Surety	National Fire Ins. Co. of Hartford #9223073 (A+)	10/29/84	$52,694.00	Combined Tract 1 & 2 State Permit Issued 5/1/87 Federal Mine Approval Tract 2 5/7/87 2/21/85 Tract 1
1990	Consolidation Coal Co. Emery Deep ACT/015/015	247	$3,454,443.00 (for mine & prep plant areas)	Surety	Federal Insurance Co. #8093-71-80 (A+)	6/8/82 & 12/11/85	$13,986.00	
1989	UP&L Des-Bee-Dove ACT/015/017	74.5	$1,837,712.00	Surety	American Casualty Co. of Reading, PA. #926-00-83 (A+)	1/25/85	$24,667.00	8/29/85
1989	UP&L Deer Creek ACT/015/018	26.5	$1,224,000.00	Surety	American Casualty Co. of Reading, PA. #927-21-58 (A+)	3/15/85	$46,189.00	11/4/85
1989	UP&L Wilberg ACT/015/019	42.5	$1,294,522.00	Surety	American Casualty Co. of Reading, PA. #924-98-19 (A+)	6/15/84	$30,459.00	7/6/84
Interim	Co-op Mining Co. Trail Canyon ACT/015/021	10	$200,000.00	LOC #13-85	United Bank	9/30/85	$20,000.00	
1990	Co-op Mining Co. Bear Creek Canyon ACT/015/025	10	$256,122.00	LOC #011	Sandy State Bank	1/5/87 (Amended and increased-letter written 12/29/86	$23,755.00	11/1/85

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1982	Genwal Coal Co. Crandall Canyon ACT/015/032	9.7	$136,729.00	Surety	Northwestern National Insurance Co.* ULI 880681 (Rating not assigned- Significant change) (Beware)	12/2/82	$14,096.00	5/13/83
1991	Southern Utah Fuel Co. (Coastal States Energy Co.) Convulsion Canyon ACT/041/002	27.79	$1,099,000.00	Surety	Travelers Indemnity Co. (A) #029-899G373-6	12/2/86	$39,546.00	12/2/86
Interim	Coal Search Corp. Knight ACT/041/005	40	$800,000.00	Surety	Federal Insurance Co. #8107-55-40 (A+)	9/16/85	$20,000.00	
Explora-tion	New Tech Mining Co. Black Jack #1 PRO/019/004	7.2	$30,534.49	Escrow Account--	First Interstate Bank #72-3024-006	1/23/84 & 12/14/79 1/20/84	$ 4,241.00	
1990	Utah Coal & Energy, Inc. Blackhawk Mine INA/043/001	19	$120,300.00	Subordination Agreement	Division (Real Estate in Wallsburg, UT)	6/4/86	$ 6,332.00	
1986 (Explor-ation)	Summit Coal Co. Boyer Mine CEP/043/002	7	$100,900.00	Subordination Agreement	Division (real estate in Park City, Utah)	8/2/85	$14,414.00	

*All of the bonding companies are listed in the Federal Register, July 1, 1987, the Department of Treasury listing of Surety Companies acceptable on Federal bonds, except Northwestern National Insurance Company (Genwal).

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