



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

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

January 16, 2001

Patrick Collins, Resident Agent  
Nevada Electric Investment Co.  
P.O. Box 337  
Springville, UT 84663

Re: Request for Insurance - First Named Insured by NEICO, Nevada Electric Investment Co.,  
Wellington Preparation Plant, C/007/012, Outgoing File

Dear Mr. Collins:

The Division has reviewed the Certificate of Insurance for the Wellington Preparation Plant and determined that Techmat may not be the insured and NEICO a third party (see attached certificate.) The permittee is required to be the insured and provide evidence of the insurance.

The first-named insured has duties and rights that do not extend to the other insureds; so it is important for the permittee, NEICO, to be the only, or at least, the first-named insured. For example, according to standard language in a Commercial General Liability Insurance policy, [Form 40-02-2000(Ed. 9-84)], the first-named insured is responsible for paying premiums, acting on behalf of all other named insureds for the giving and receiving notice of cancellation. The first-named insured may cancel the policy or any of its individual coverages by sending notice to the insurance company. Cancellation by the insurance company is also only mailed to the first-named insured.

If some party other than the permittee is the only or first-named insured, then the permittee has no control over the policy which results in Utah not having full control over actions that take place on the policy. Additionally, when multiple companies (or multiple sites) are covered by the same insurance, there is no guarantee that the minimum limits of liability of \$300,000/occurrence and \$500,000 aggregate will be available for the mine site subject to the insurance.

The permittee, NEICO, is responsible for maintaining insurance until bond release, not Techmat. Please submit NEICO as the insured by January 31, 2001. If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig  
Permit Supervisor

pgl/sm

Attachment:

cc: Price Field Office

O:\007012.WEL\FINAL\ReqIns.wpd

