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STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

FILE COPY

ACT/007/021 #2

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October 22, 1987

TO: Sue Linner, Permit Supervision
FROM: Randy Harden, Reclamation Engineer 
RE: Liability Insurance, Blazon #1 Mine, North American Equities, ACT/007/021, Folder #2, Carbon County, Utah

In Response to a request for proof of adequate liability insurance through the permit term for the Blazon Mine, a copy of the policy was sent to the Division and received on October 8, 1987.

This information indicates that liability insurance was provided by Continental Insurance Company up through December 21, 1986. No information was provided or presented in the submittal by NAE that shows or provides insurance coverage beyond that date.

Additionally, in review of the actual insurance policy, an endorsement in the policy providing for POLLUTION EXCLUSION. This exclusion relates to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants. Waste includes materials to be recycled, reconditioned or reclaimed.

Normally, the Division does not receive copies of the actual insurance policies which are required under part UMC 800.60 of the rules. However, based on the exclusion found in this policy, it is most imperative that the Division assume a more thorough role in review and approval of adequate insurance coverage for mining operators.

It is imperative that the Division determine whether or not insurance policies held by mining operators are in compliance with the intent and the requirements of the coal rules and regulations. Perhaps an audit of all operators' liability insurance policies is in order.

Please convey these concerns so that direction on this matter may be resolved in the near future.

Attachment
7000R-24

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.
(The following information is required only when this endorsement is issued subsequent to preparation of policy.)

Endorsement effective

Policy No.

Endorsement No.

Named Insured

Countersigned by

(Authorized Representative)

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE
OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE

POLLUTION EXCLUSION

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

- (1) to **bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - (a) at or from premises owned, rented or occupied by the **named insured**;
 - (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
 - (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- (2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.