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

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Governor

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Executive Director

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July 3, 2001

Rusty Netz, Environmental Coordinator
Sunnyside Cogeneration Association
P.O. Box 10
East Carbon, Utah 84520

Re: Certificate of Liability Insurance – Bodily Injury Required, Sunnyside Cogeneration Associates, Sunnyside Refuse and Slurry, C/007/035, Outgoing File

Dear Mr. Netz:

The Division received the Acord Form for Sunnyside Cogeneration Associates for "Evidence of Property Insurance." The requirements for public liability insurance require $300,000 for bodily injury and property damage per occurrence and $500,000 aggregate (see enclosed regulations R645-301-890.) The certificate was only for property damage.

Please submit the required public liability insurance by August 17, 2001. If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

vs
Enclosure
cc: Price Field Office
P:\GROUPS\COAL\WP\007035.SRS\DRAFT\pglinsurancerequirements.doc

C/007/035 Inspro of file

ACORD. EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 06/29/2001

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER

PHONE (A/C, No, Ext): 405-235-6633

MEYERS-REYNOLDS
& ASSOCIATES, INC.
1230 N. Robinson
Oklahoma City , OK 73103

CODE:

SUB CODE:

AGENCY CUSTOMER ID #:

COMPANY

QUOTA SHARE AS FOLLOWS:
FACTORY MUTUAL INS. CO. 75% OF 100%
ASSOC. ELEC.&GAS INS.SERV. 25% OF 100%

INSURED

SUNNYSIDE COGENERATION ASSOC.
C/O CONSTELLATION ENERGY GROUP
250 W. PRATT STREET,20TH FLOOR
BALTIMORE, MD 21201

LOAN NUMBER:

POLICY NUMBER: M212320101

EFFECTIVE DATE: 07/01/01

EXPIRATION DATE: 07/01/02

☐ CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

COMMERCIAL PROPERTY AND BOILER & MACHINERY AND BUSINESS INTERRUPTION COVERAGE FOR A COGENERATION PLANT LOCATED: ONE POWER PLANT ROAD, SUNNYSIDE, UT 84539.

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
ALL RISK, REPLACEMENT COST, COMBINED PROPERTY		
DAMAGE AND BOILER & MACHINERY - AGREED AMOUNT.	151,929,179	50,000
BUSINESS INTERRUPTION FOR A 12 MONTH PERIOD.	20,266,849	
FLOOD	151,929,179	
EARTHQUAKE	151,929,179	
ACCOUNTS RECEIVABLE	5,000,000	
VALUABLE PAPERS	5,000,000	
TRANSMISSION & DISTRIBUTION LINES	1,500,000	

REMARKS (Including Special Conditions)

RE: PERMIT # ACT/007/035 $50,000 DED. APPLIES WITH THE EXCEPTION OF $100,000 STEAM TURBINE/GENERATOR & $100,000 TRANSFORMER; BUSINESS INTERRUPTION DED. IS A 30 DAY WAITING PERIOD. EARTHQUAKE DED.-MIN. 5% OR $250,000 WHICHEVER IS GREATER-CERT. HOLDER IS LOSS PAYEE & ADDITIONAL INSURED.

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 60 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS

DEPT. OF OIL, GAS & MINING
(DOGM)
ATTN: PAM GRUBAUGH - LITTIG
P.O. BOX 145801
SALT LAKE CITY, UT. 84414-5801

☐ MORTGAGEE
☒ LOSS PAYEE
☒ ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE

Lee Reynolds

ACORD 27 (3/93)

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the operator or the landowner have been made with the Division; and

880.330. At the completion of Phase III, after the operator has completed successfully all surface coal mining and reclamation operations, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility in R645-301-357. However, no bond will be fully released under provisions of this section until reclamation requirements of the Act and the permit are fully met.

880.400. If the Division disapproves the application for release of the bond or portion thereof, the Division will notify the permittee, the surety, and any person with an interest in collateral as provided for in R645-301-860.260, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure the release and allowing an opportunity for a public hearing.

880.500. When an application for total or partial bond release is filed with the Division, the Division will notify the municipality in which the coal mining and reclamation activities are located by certified mail at least 30 days prior to the release of all or a portion of the bond.

880.600. Any person with a valid legal interest which might be adversely affected by release of the bond, or the responsible officer or head of any federal, state, or local governmental agency which has jurisdiction by law or special expertise with respect to any environmental, social or economic impact involved in the operation or which is authorized to develop and enforce environmental standards with respect to such operations, will have the right to file written objections to the proposed release from bond with the Division within 30 days after the last publication of the notice required by R645-301-880.120. If written objections are filed and a hearing is requested, the Division will inform all the interested parties of the time and place of the hearing and will hold a public hearing within 30 days after receipt of the request for the hearing. The date, time and location of the public hearing will be advertised by the Division in a newspaper of general circulation in the locality for two consecutive weeks. The public hearing will be held in the locality of the coal mining and reclamation operations from which bond release is sought, or at the location of the Division office, at the option of the objector.

880.700. For the purpose of the hearing under R645-301-880.600, the Division will have the authority to administer oaths, subpoena witnesses or written or printed material, compel the attendance of witnesses or the production of materials and take evidence including, but not limited to, inspection of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim record of each public hearing will be made and a transcript will be made available on the motion of any party or by order of the Division.

880.800. Without prejudice to the right of an objector or the applicant, the Division may hold an informal conference as provided in UCA 40-10-13(a) of the Act to resolve such written objections. The Division will make a record of the informal conference unless waived by all parties, which will be accessible to all parties. The Division will also furnish all parties of the informal conference with a written finding of the Division based on the informal conference and the reasons for said finding.

880.900. Forfeiture of Bonds.

880.910. If an operator refuses or is unable to conduct reclamation of an unabated violation, if the terms of the permit are not met, or if the operator defaults on the conditions under which the bond was accepted, the Division will take the following action to forfeit all or part of a bond or bonds for any permit area or an increment of a permit area:

880.911. Send written notification by certified mail, return receipt requested, to the permittee and the surety on the bond, if any, informing them of the determination to forfeit all or part of the bond including the reasons for the forfeiture and the amount to be forfeited. The amount will be based on the estimated total cost of achieving the reclamation plan requirements;

880.912. Advise the permittee and surety, if applicable, of the conditions under which forfeiture may be avoided. Such conditions may include, but are not limited to:

880.912.1. Agreement by the permittee or another party to perform reclamation operations in accordance with a compliance schedule which meets the conditions of the permit, the reclamation plan and the State Program and a demonstration that such party has the ability to satisfy the conditions; or

880.912.2. The Division may allow a surety to complete the reclamation plan, or the portion of the reclamation plan applicable to the bonded phase or increment, if the surety can demonstrate an ability to complete the reclamation in accordance with the approved reclamation plan. Except where the Division may approve partial release authorized under R645-301-880.100 through R645-301-880.800, no surety liability will be released until successful completion of all reclamation under the terms of the permit, including applicable liability periods of R645-301-820.300.

880.920. In the event forfeiture of the bond is required by this section, the Division will:

880.921. Proceed to collect the forfeited amount as provided by applicable laws for the collection of defaulted bonds or other debts if actions to avoid forfeiture have not been taken, or if rights of appeal, if any, have not been exercised within a time established by the Division, or if such appeal, if taken, is unsuccessful; and

880.922. Use funds collected from bond forfeiture to complete the reclamation plan, or portion thereof, on the permit area or increment, to which bond coverage applies.

880.930. Upon default, the Division may cause the forfeiture of any and all bonds deposited to complete reclamation for which the bonds were posted. Bond liability will extend to the entire permit area under conditions of forfeiture.

880.931. In the event the estimated amount forfeited is insufficient to pay for the full cost of reclamation, the operator will be liable for remaining costs. The Division may complete, or authorize completion of, reclamation of the bonded area and may recover from the operator all costs of reclamation in excess of the amount forfeited.

880.932. In the event the amount of performance bond forfeited was more than the amount necessary to complete reclamation, the unused funds will be returned by the Division to the party from whom they were collected.

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.

890.400. The Division may accept from the applicant, in lieu of a certificate for a public liability insurance policy, satisfactory evidence from the applicant that it satisfies applicable state self-insurance requirements approved as part of the State Program and the requirements of R645-301-890.100 through R645-301-890.300.

References: 40-10-1 et seq.

History: 10938, AMD, 10/01/90; 11651, NSC, 04/16/91; 11691, AMD, 06/03/91; 12438, AMD, 02/27/92; 12439, AMD, 02/27/92; 12440, AMD, 02/27/92; 12441, AMD, 02/27/92; 12442, AMD, 02/27/92; 13156, NSC, 08/28/92; 14402, AMD, 06/16/93; 14403, AMD, 06/16/93; 16631, AMD, 03/27/95; 17290, AMD, 11/20/95; 17360, AMD, 12/18/95; 17531, NSC, 01/18/96; 19380, 5YR, 06/06/97; 20010, AMD, 12/12/97; 20190, AMD, 03/15/98; 20191, AMD, 03/15/98; 21334, AMD, 09/30/98; 21663, NSC, 12/01/98; 22214, AMD, see CPR; 22214, CPR, 02/01/2000; 22215, AMD, 10/01/99; 22216, AMD, 10/01/99; 23171, AMD, 11/17/2000.

R645-302. Coal Mine Permitting: Special Categories and Areas of Mining.

R645-302-100. General.
R645-302-200. Special Categories of Mining.
R645-302-300. Special Areas of Mining.

R645-302-100. General.

110. Introduction. The rules given under R645-302-200 through R645-302-300 establish the minimum requirements for approval to conduct coal mining and reclamation operations under designated special categories and areas of mining. All provisions of R645-301 apply to the designated special categories and areas of mining, unless otherwise specifically provided under R645-302.

120. Objective. The objective of R645-302 is to ensure that special categories and areas of mining are approved only after the Division receives information that shows the coal mining and reclamation operations will be conducted according to the applicable requirements of the Act, R645-301 and any other applicable portions of the State Program.

130. Applicability. Special categories and areas of mining that occur within an approved permit area will be evaluated and approved by the Division within the context of the attendant permit or permit application. Special categories and areas of mining that occur external to an approved permit area will require a discrete permit application for review by the Division. Special categories and areas of mining include all those types and areas of mining described in R645-302-200 through R645-302-320.

R645-302-200. Special Categories of Mining.

The rules in R645-302-200 present the requirements for information to be included in the permit application to conduct coal mining and reclamation operations for designated special categories of mining and present procedures to process said permit applications.

210. Experimental Practices Mining.

211. Experimental practices provide a variance from environmental protection performance standards of the Act, of R645-301, and the State Program for experimental or research purposes, or to allow an alternative postmining land use, and may be undertaken if they are approved by the Division and the Office and if they are incorporated in a permit or permit change issued in accordance with the requirements of R645-200, R645-300, R645-301, R645-302-100 through R645-302-280, R645-302-310, R645-302-320, or R645-303.

212. An application for an experimental practice will contain descriptions, maps, plans, and data which show:

212.100. The nature of the experimental practice, including a description of the performance standards for which variances are requested, the duration of the experimental practice, and any special monitoring which will be conducted;

212.200. How use of the experimental practice encourages advances in mining and reclamation technology or allows a postmining land use for industrial, commercial, residential, or public use (including recreation facilities) on an experimental basis;

212.300. That the experimental practice:

212.310. Is potentially more, or at least as, environmentally protective, during and after coal mining and reclamation operations, as would otherwise be required by standards promulgated under R645-301 and R645-302; and

212.320. Will not reduce the protection afforded public health and safety below that provided by the requirements of R645-301 and R645-302; and

212.400. That the applicant will conduct monitoring of the effects of the experimental practice. The monitoring program will ensure the collection, analysis, and reporting of reliable data that are sufficient to enable the Division and the Office to:

212.410. Evaluate the effectiveness of the experimental practice; and

212.420. Identify, at the earliest possible time, potential risk to the environment and public health and safety which may be caused by the experimental practice during and after coal mining and reclamation operations.

213. Applications for experimental practices will comply with the public notice requirements of R645-300-120.

214. No application for an experimental practice under R645-302-210 will be approved until the Division first finds in writing and the Office then concurs that: