

0009



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

September 17, 1991

Mr. Kevin Cheeks  
Supervisor EQC  
Consolidation Coal Company  
12755 Olive Boulevard  
St. Louis, Missouri 63141

Dear Mr. Cheeks:

Re: Proof of Liability Insurance, Consolidation Coal Company, Emery Deep Mine, ACT/015/015, Folder #2, Emery County, Utah

This letter is to follow up on the June 17, 1991 letter (copy enclosed) sent to all operators regarding Certificates of Liability Insurance. At this time the Division does not have an updated certificate of insurance from your company containing the information requested.

Please provide an updated Certificate of Liability Insurance showing adequate coverage within 30 days. Failure to do so will result in enforcement action. If you have any questions, please feel free to call me.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron R. Haddock  
Permit Supervisor

Attachment

cc: P. Grubaugh-Littig  
R. Harden

INSURANC.LET



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

June 17, 1991

All Operators

Dear Operator:

Re: Certificates of Insurance: R614-301-890.100

The Division has been utilizing the Division form for the Certificate of Liability Insurance since November 1987. There have been issues that have arisen about the use of this form as well as the adequacy of the insurance industry "Acord" form. In reviewing both of these forms, it has been decided that the Division will require the "Acord" form as EXHIBIT "C" but with required modifications as outlined below.

- 1) Under the cancellation section of the form, the form reads "Should any of the above-described policies be canceled before the expiration date thereof, the issuing company will endeavor to mail within \_\_\_\_\_ days written notice to the Certificate Holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives."

The form must be amended by stating: "Should any of the above-described policies be changed and/or canceled before the expiration date thereof, the issuing company will mail (certified) 45 days written notice to the Certificate Holder named to the left."

- 2) The Certificate Holder named must be the Division of Oil, Gas and Mining.
- 3) The Description of Operations must provide the name of the mine and the mine number.
- 4) The insurance policy must be "first provider" insurance, that is, the insurance must pay, without a deductible, all claims up to the legal requirements of the regulations (\$300,000 per occurrence and \$500,000 aggregate). Self-Insurance retainers (SIR's) are not allowed under

normal liability requirements. Statements such as "Limits may have been reduced by paid claims" are not acceptable.

- 5) The Certificate must specifically include damage due to explosives (noted usually as XCU). If the Certificate does not include explosives specifically as shown on the Certificate, a rider to the Certificate or separate insurance must be provided to document that explosives are indeed covered by the policy.
- 6) If a certificate is marked "claims made", more information is needed to demonstrate continuous coverage.

To substantiate that the claims-made policy complies with the continuous coverage requirement, the following information (at a minimum) must also be submitted:

- a) The policy number, form of insurance, and effective dates of the previous policy.
  - b) The retroactive date of the current claims-made policy.
  - c) The dates of any extended reporting period or tail coverage purchased with the current claims-made policy.
  - d) A written statement from your insurance representative explaining how the series of policies will operate interactively with respect to claims, considering the information in items a - c above. For example, if an event occurs late in the policy year and has not yet been reported or claimed, for how many days after expiration can a claim be filed? Also, the insurance company needs to indicate whether the state where your operation is located requires a minimum extended reporting period, and if so, what this period is.
  - e) Please have your insurance company provide any other information you believe will substantiate continuous coverage over the life of the mining and reclamation operation.
- 7) If there are exclusions in the policy (e.g. subsidence, reclamation, etc.) they must also be noted on the form.

An example of an acceptable "Acord" form is included for clarification.

We appreciate your cooperation in changing over to the "Acord" form and hope that this will resolve insurance ambiguities for the Utah Coal Regulatory Program.

Please send an amended Exhibit C with the modified "Acord" form (and any other documents) to verify Certificate of Insurance for your operation by August 1, 1991, as well as an updated Exhibit D. Failure to implement this change could result in a hindrance violation. If you have any questions, please call me.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

PGL/jbe  
enclosure

cc: Joe Helfrich  
Daron Haddock  
Pamela Grubaugh-Littig  
Jesse Kelley  
Randy Harden

CERTOFIN.LTR

Mr. Roger Nelson  
BHP Petroleum - Utah International, Inc.  
550 California Street  
San Francisco, California 94104

Mr. J. E. Katlic  
Executive Vice-President  
Blackhawk Coal Company  
c/o American Electric Power Company  
P. O. Box 700  
Lancaster, Ohio 43130

Mr. Jim Buck, Manager  
Castle Gate Coal Company  
One Riverfront Place  
20 North West 1st Street  
Evansville, Indiana 47708-1258

Mr. Dee Bray  
Consolidation Coal Company  
P.O. Box 527  
Emery, Utah 84522

Mr. Jon Passic  
Genwal Coal Company  
(Castle Valley Resources)  
P. O. Box 766  
Wellington, Utah 84542

Mr. Allen Childs  
Genwal Coal Company, Inc.  
P. O. Box 1201  
Huntington, Utah 84528

Mr. Rick Olsen, President  
Soldier Creek Coal Company  
P. O. Box I  
Price, Utah 84501

Mr. Ken Payne, Manager  
Southern Utah Fuel Company  
P. O. Box P  
Salina, Utah 84654

Mr. Bob Eccli  
U. S. Fuel Company  
P. O. Box A  
Hiawatha, Utah 84527

Mr. Glen Zumwalt, Manager  
Utah Fuel Company  
P. O. Box 719  
Helper, Utah 84526

Mr. Walter Wright  
Valley Camp of Utah, Inc.  
Scofield Route  
Helper, Utah 84526

Mr. Ben Grimes, Environmental Coordinator  
Plateau Mining Company  
P.O. Drawer P M C  
Price, UT 84501

Mr. Lee Edmonson  
CALMAT Company  
Properties Division  
1801 East University Dr.  
Phoenix, Arizona 85034

Mr. Dan Guy, Manager  
Permitting and Compliance  
Beaver Creek Coal Company  
P.O. Box 1378  
Price, Utah 84501

Mr. Alan Noble  
Western States Minerals  
4975 Van Gordon Street  
Wheat Ridge, Colorado 80033

Mr. Blake Webster  
Permitting Administrator  
PacifiCorp Electric Operations  
Fuel Resources  
324 South State Street  
P.O. Box 26128  
Salt Lake City, Utah 84126-0218

Mr. Mike Glasson, Senior Geologist  
Andalex Resources, Inc.  
P.O. Box 902  
Price, Utah 84501

Mr. Wendell Owen  
Co-Op Mining Company  
P.O. Box 1245  
Huntington, Utah 84528

Mr. David W. Anderson, P.E.  
Intermountain Power Agency  
Department of Water and Power  
City of Los Angeles  
111 North Hope Street, Room 1164  
Los Angeles, California 90012

Mr. Joe Fielder, General Manager  
Sunnyside Coal Company  
P.O. Box 99  
Sunnyside, Utah 84539

# DRID. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)  
DATE

STATE REGISTERED AGENT /  
INSURANCE COMPANY

SUB-CODE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND DOES NOT CONFER ANY RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

## COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	A:	INSURANCE COMPANY
COMPANY LETTER B	B:	
COMPANY LETTER C	C:	
COMPANY LETTER D	D:	
COMPANY LETTER E	E:	

PERMITTEE

WE CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT. PRODUCT/VENDOR XCU (EXPLOSIVES)	POLICY NUMBER	07/01/90	07/01/95	GENERAL AGGREGATE	\$ 4000
				PRODUCTS-COMP/OPS AGGREGATE	\$ 2000
				PERSONAL & ADVERTISING INJURY	\$ 2000
				EACH OCCURRENCE	\$ 2000
				FIRE DAMAGE (Any one fire)	\$ 2000
MOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY	DIVISION OF OIL, GAS & MINING	01/90	07/01/95	COMBINED SINGLE LIMIT	\$ 1000
				BODILY INJURY (Per person)	\$ 0
				BODILY INJURY (Per accident)	\$ 0
				PROPERTY DAMAGE	\$ 0
				EACH OCCURRENCE	\$ 0
WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY	\$ 0 (EACH ACCIDENT)
					\$ 0 (DISEASE-POLICY LIMIT)
					\$ 0 (DISEASE-EACH EMPLOYEE)

**RECEIVED**  
JUL 02 1990

NAME OF OPERATIONS/LOCATIONS/VEHICLES/PROPERTY/SPECIAL ITEMS

MINE NAME  
MINE NUMBER

CERTIFICATE HOLDER

STATE OF UTAH, DIV. OIL & GAS  
N.W. TEMPLE  
COMMERCIAL CENTER, SUITE 350  
LAKE CITY, UT 84100

**CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CHANGED AND/OR CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL (CERTIFIED) 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.