

CHAPTER 8

BONDING AND INSURANCE

(R645-301-800)

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BONDING AND INSURANCE

8.11 Terms Used

8.12 Division Responsibilities

8.20 Requirement to File a Bond

The entire disturbed area at the Crandall Canyon mine is bonded. The disturbed boundaries of the Crandall Canyon mine site is shown on Plate 5-3 (the mine site) and Plate 2-2 (the three topsoil storage areas). The disturbed boundary configuration shown on Plate 5-3 was physically surveyed from known control monuments on April 3, 1992.

The current bond is filed on the form provided by the Division and is for an amount equal to or exceeding the bond amount previously determined under regulation R645-301-830. The current bond form and Reclamation Agreement are presented in Appendix 8-1.

Genwal Coal Company currently uses, and will continue to use, a surety bond to satisfy R645-301-800.

Genwal proposes the type of bonding to be instituted for the mine life and reclamation monitoring period to be the entire performance bond for the entire permit term (i.e. five years plus a ten year liability period) dependent upon reclamation success beginning at the time of the last augmented seeding.

8.30 Determination of Bond Amount

8.30.11

The amount of the bond required will be determined by the Division.

8.30.14 Detailed estimated costs

The detailed estimated costs for reclamation is listed within Appendix 5-20. The cost calculations are for the entire disturbed area.

8.40 General Terms and Conditions

General terms and conditions as stated within R645-301-840 through R645-301-840.520 will be met by Genwal Coal Company.

8.50 Bond Requirements for Underground Coal Mining and Reclamation Activities

The bond will remain in full force and extend until all reclamation, restoration, and abatement work under the permit has been completed as outlined in the approved Mining and Reclamation Plan.

8.60 Surety Bonds

The form of performance bond that will be submitted to the regulatory authority will be a surety bond (MR Form 5) as sent by the Utah Division of Oil, Gas, and Mining.

8.70 Replacement of Bonds

Equivalent coverage will be provided if Genwal replaces its current bond.

8.80 Requirement to Release Performance Bonds

Genwal commits to meet the requirements within R645-310-880

8.90 Terms and Conditions for Liability Insurance

A copy of Genwal Coal Company's certificate of liability is incorporated into section 1-17 of chapter 1 of this document, and in Appendix 8-1.

ACORD CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

PRODUCER

PRICE INSURANCE AGENCY
 WEST MAIN ST - P.O. BOX 871
 PRICE, UT 84501-0871
 (801) 637-3351

COMPANIES AFFORDING COVERAGE

COMPANY A	FEDERAL INSURANCE (CHUBB GROUP)
COMPANY B	
COMPANY C	
COMPANY D	

INSURED

GENWAL RESOURCES, INC.
 PO BOX 1420
 HUNTINGTON, UT 84523-1420

COVERAGES

THIS IS TO 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 EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT	3710-39-89	01/01/95	01/01/95	GENERAL AGGREGATE \$2,000,0
					PRODUCTS - COM/OP AGG \$2,000,0
					PERSONAL & ADV INJURY \$1,000,0
					EACH OCCURRENCE \$1,000,0
					FIRE DAMAGE (Any one fire) \$ 50,0
					MEI EXP (Any one person) \$ 10,0
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$
					AGGREGATE \$
					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				<input checked="" type="checkbox"/> STATUTORY LIMITS \$
					EACH ACCIDENT \$
					DISEASE - POLICY LIMIT \$
					DISEASE - EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

KCU COVERAGE ARE INCLUDED IN POLICY FORM; \$1000 DEDUCTIBLE PROPERTY DAMAGE;
 MINE NAME: CRANDALL CANYON MINE NUMBER ACT 015-032

CERTIFICATE HOLDER

STATE OF UTAH DIVISION OF
 OIL, GAS & MINING
 355 WEST NORTH TEMPLE
 III TRIAD CENTER SUITE 350
 SALT LAKE CITY, UT 84180-1203

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL PROVIDE TO THE INSURED 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE POLICY.

AUTHORIZED REPRESENTATIVE

Ken A. Nelson