

## CHAPTER 8

### BONDING AND INSURANCE

R645-301-800

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#### Bonding and Insurance

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<u>PHOTOGRAPHS</u>	<u>DESCRIPTION</u>
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None

<u>APPENDICES No.</u>	<u>DESCRIPTION</u>
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8-1	Preliminary Cost Estimates and Calculations
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<u>DRAWING No.</u>	<u>DESCRIPTION</u>
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None

## CHAPTER 8

### R645-301-800. BONDING AND INSURANCE

#### 820. REQUIREMENT TO FILE A BOND

##### 820.100 The Operator Agrees to File a Bond.

After the permit application is approved, but before the permit is issued, the applicant will file with the Division, on a form prescribed and furnished by the Division, a bond or bonds conditioned upon performance of all requirements of the State Program, the permit and the reclamation bond.

##### 820.110-111 Area to be Covered by the Performance Bond

The disturbed area at the Coal Hollow Project will be bonded. The disturbed areas are identified on Drawing 5-3. The area to be mined is also identified on Drawing 5-3.

##### 820.112-114 Incremental Bonding

Not applicable at this time.

##### 820.120 Acceptance of Bond

The applicant agrees not to commence operations until the Division approves a performance bond for the Coal Hollow Project.

##### 820.130 Coverage of Bond

The applicant will provide a performance bond for the disturbed area within the permit.

##### 820.200 Form of the Performance Bond

##### 820.223 Surety Bond

Alton Coal Development, LLC is proposing to submit a surety bond consistent with the requirements of R645-301-860.100 and any additional requirements in the State Program.

#### 830. DETERMINATION OF BOND AMOUNT

##### 830.100 Determined by the Division

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

830.140 Detailed Estimated Costs

The bonding amount for final reclamation will depend upon the *approved* permit and reclamation plan (R645-301-830.120). As a preliminary estimate, costs for final reclamation are listed in Appendix 8-1. These cost calculations are for the disturbed area boundaries provided in the proposed plan in this application. For this preliminary evaluation, final reclamation has been estimated at \$6,172,000 as shown in Appendix 8-1.

A revised bond estimate will be provided by the applicant to the Division following completion of the *approved* permit and reclamation plan.

840. GENERAL TERMS AND CONDITIONS OF THE BOND

General terms and conditions of the bond as stated at R645-301-840 through R645-301-840.520 will be met by Alton Coal Development, LLC

850. BOND REQUIREMENTS FOR UNDERGROUND COAL MINING

Not Applicable

860. FORM OF BOND

860.100 Surety Bond

The applicant will submit a surety bond as defined under R645-100-200 and meet all the requirements under R645-301-860.110 to .120.

870. REPLACEMENT OF BONDS

Equivalent bond coverage will be provided if Alton Coal Development, LLC replaces the surety bond.

880. REQUIREMENT TO RELEASE PERFORMANCE BONDS

Upon completion of reclamation operations, the applicant will apply for bond release and meet the requirements of R645-301-880.

890. TERMS AND CONDITIONS FOR LIABILITY INSURANCE

890.100 Certificate of Liability Insurance

A copy of the Certificate of Liability Insurance is provided in Appendix 1-3. Alton Coal Development, LLC will meet the requirements of R645-301-890 prior to commencing any mining operations.