

Document Information Form

Mine Number: 61007/007

File Name: Incoming

To: DOGM

From:

Person N/A

Company N/A

Date Sent: JUNE 18, 1998

Explanation:

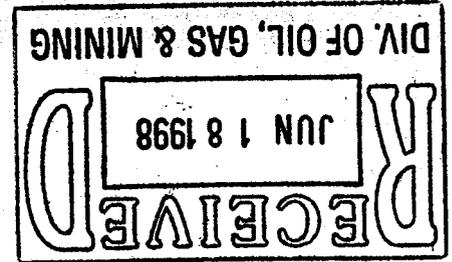
IRREVOCABLE STANDBY LETTER OF CREDIT: NO. S-0034 558-0003

cc:

File in:
CI 007, 007, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date _____ For additional information



IRREVOCABLE STANDBY LETTER OF CREDIT NO. S-0034558-0003

May Ann - FYI...

ISSUED IN Salt Lake City, Utah on 17 JUN 1998

BENEFICIARY:

Lowell P. Braxton, Acting Director,
Utah Division of Oil, Gas and
Mining, 1594 West North Temple,
Suite 1210, P.O. Box 145801, Salt*

APPLICANT:

COVOL TECHNOLOGIES, INC.
3280 NO. FRONTAGE ROAD
LEHI, UTAH 84043

AMOUNT: USD ***100,000.00
ONE HUNDRED THOUSAND AND 00/100
UNITED STATES DOLLARS

DATE AND PLACE OF EXPIRY:
30 NOV 1998
AT OUR COUNTERS

*Lake City, Utah 84114-5801 and James Fulton, Chief, Denver Field
Division, Office of Surface Mining, 1999 Broadway, Suite 3320,
Denver, Colorado 80202-5733

We hereby issue in your favor this documentary credit which is
available by payment of your draft(s) drawn on us at sight
bearing the number of this Letter of Credit accompanied by the
following documents:

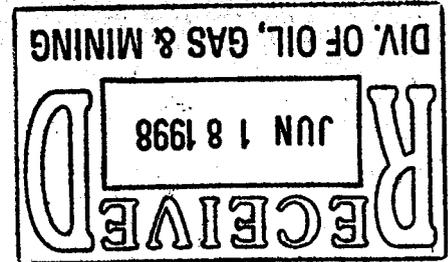
1. This original Letter of Credit.
2. Beneficiary's signed statement reading precisely as follow:
"We certify that Covol Technologies, Inc., or its successors and
assigns, has not timely and satisfactorily performed the Asbestos
Obligation and/or the Site Safety Obligation as per the Footprint
Property Sale Agreement dated June 3, 1998."

Each draft paid by the bank hereunder shall pro tanto reduce the
liability of the Bank under this Letter of Credit although the
total liability of the Bank shall not be discharged unless and
until such payments shall amount in the aggregate to
USD100,000.00 (One Hundred Thousand and 00/100 United States
Dollars). Notwithstanding to the contrary, in no
event shall the amount of USD100,000.00 in the aggregate
and 00/100 United States Dollars).

Except so far as this
Credit is subject to
Documentary Credit
Commerce Publicati

File in:
 Confidential
 Shelf
 Expandable
Refer to Record No 0007 Date _____
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For additional information

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ISSUED IN Salt Lake City, Utah on 17 JUN 1998

*May Ann
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Lowell P. Braxton, Acting Director,
Utah Division of Oil, Gas and
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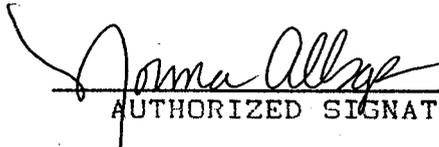
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total liability of the Bank shall not be discharged unless and
until such payments shall amount in the aggregate to
USD100,000.00 (One Hundred Thousand and 00/100 United States
Dollars). Notwithstanding anything herein to the contrary, in no
event shall the obligation of the bank exceed the aggregate
amount of USD100,000.00 (One Hundred Thousand and 00/100 United
States Dollars).

Except so far as otherwise expressly stated, this Letter of
Credit is subject to the Uniform Customs and Practice for
Documentary Credits, 1993 Revision, International Chamber of
Commerce Publication No. 500.

L/C #: S-0034558-0003
PAGE 2

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented (together with the documents as specified) at our office on or before the expiry date of this credit.



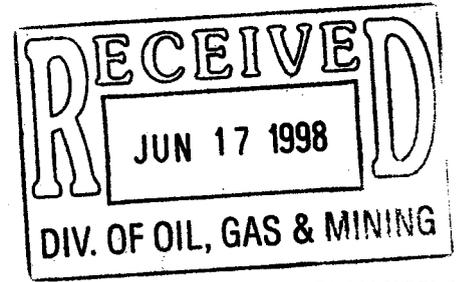
AUTHORIZED SIGNATURE(S)

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL

ACT/007/007
Folder #2



JAN GRAHAM
ATTORNEY GENERAL



CAROL CLAWSON
Solicitor General

REED RICHARDS
Chief Deputy Attorney General

PALMER DEPAULIS
Chief of Staff

June 16, 1998

Mr. Lowell Braxton
Acting Director
Utah Division of Oil, Gas &
Mining
1594 West North Temple, Suite
1210, Box 145801
Salt Lake City, UT 84114-5801

Ms. Mary Ann Wright
Deputy Director of Mining Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite
1210, Box 145801
Salt Lake City, UT 84114-5801

Mr. Randall Harden
Reclamation Engineer
Utah Division of Oil, Gas &
Mining
1594 West North Temple, Suite
1210, Box 145801
Salt Lake City, UT 84114-5801

Re: In re Sunnyside Coal Co.

Dear Lowell, Mary Ann, and Randy,

I am enclosing with Mary Ann Wright's copy of this letter a copy of a letter dated June 12, 1998 to me from Asael T. Sorensen, Jr., the General Counsel of COVOL Technologies, Inc., along with copies of the enclosures to that letter. Two points: First, you will notice that Mr. Sorensen's letter indicates that COVOL has now elected to keep the Bath House and Training Building based on COVOL's belief, supposedly influenced by representatives of the Division of Oil, Gas & Mining (DOGM) and IHI, that "the tank and boiler in the Bath House do not contain asbestos." If Mr. Sorensen's statement is technically incorrect, I suggest that Randy Hardin and/or Louis Amoldt soon have a clarifying discussion with COVOL Vice President Russ Madsen. Please make sure that COVOL and DOGM indeed are on the same wavelength concerning any asbestos remediation, however minor, that DOGM expects COVOL to do in that structure as a condition of DOGM's contractor not demolishing it under the reclamation project.

Second, the enclosures to Mr. Sorensen's letter appear to be submitted by COVOL to me as counsel for DOGM, so that is why I am forwarding them to DOGM. DOGM should review the COVOL enclosures to determine whether COVOL has complied with the "Deed and Lease Obligation" and the "Letter of Credit Obligation" assumed by COVOL under the May 21, 1998 court order approving the sale of the Footprint Property by the Sunnyside bankruptcy trustee to Penta Creeks LLC.

Very truly yours,

Patrick J. O'Hara
Assistant Attorney General

Encl. (only Mary Ann Wright)