

BANK ONE, ARIZONA, N.A.

1717 MAIN STREET, 11TH FLOOR, DALLAS, TEXAS 75201

TELEPHONE: 1-800-924-5435

OCTOBER 22, 2001

APPLICANT:
HIAWATHA COAL COMPANY, INC.
3212 SO. STATE ST.
SALT LAKE CITY, UT

BENEFICIARY:
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84114

UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT
WESTERN REGIONAL COORDINATING CENTER
1999 BROADWAY, SUITE 3320
DENVER, COLORADO 80202-5733

**RE: LETTER OF CREDIT NO. S005519
LETTER OF CREDIT AMOUNT \$2,838,000.00**

GENTLEMEN:

AS PER THE TERMS AND CONDITIONS OF THE ABOVE-MENTIONED LETTER OF CREDIT, WE HEREBY GIVE NOTIFICATION OF OUR INTENT NOT TO EXTEND OR RENEW THE ABOVE-MENTIONED LETTER OF CREDIT.

THE FINAL EXPIRATION DATE OF LETTER OF CREDIT NO. **S005519** WILL BE **DECEMBER 4, 2001.**

Chuck P. Yellum

AUTHORIZED SIGNATURE
BANK ONE, ARIZONA, N.A.
SS:

RECEIVED

OCT 23 2001

DIVISION OF
OIL, GAS AND MINING