

0015

LC: PZJL

FAX Cover Sheet



INCOMING
00070011

To: pam

From: VALERIE WHITE

Attn.:

Fax: 801-359-3940

Fax: 312-954-6163

cc:

Phone: 312-954-1923

Date: November 18, 2003

Page: 1 of 1

Re: 00336176

Type your message here.

RECEIVED

NOV 18 2003

DIV. OF OIL, GAS & MINING

"This transmission may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you."

BANK ONE.**BANK ONE, NA - 1717 MAIN STREET, 11TH FLOOR, DALLAS, TEXAS 75201****TELEPHONE: 1-888-525-9395****IRREVOCABLE STANDBY LETTER OF CREDIT NO. STI20510****PLACE AND DATE OF ISSUE:
DALLAS, TEXAS 12/23/2002****DATE AND PLACE OF EXPIRY:
12/18/2003 IN DALLAS, TEXAS****APPLICANT:
M.B.S.C., LLC.
3212 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84105****ADVISING BANK:
NOT APPLICABLE****BENEFICIARY:
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UTAH 84114****AMOUNT: USD2,838,000.00
TWO MILLION EIGHT HUNDRED
THIRTY EIGHT THOUSAND AND
NO/100 U.S. DOLLARS****GENTLEMEN:**

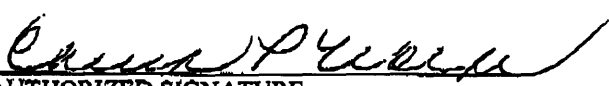
WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR AVAILABLE BY BENEFICIARY'S SIGHT DRAFT(S) DRAWN ON BANK ONE, NA WHEN ACCOMPANIED BY THE ORIGINAL OF THIS CREDIT AND THE FOLLOWING DOCUMENT(S):

- BENEFICIARY'S SIGNED AND DATED STATEMENT STATING THAT: QUOTE - PURSUANT TO R645-301-880,900, HIAWATHA COAL COMPANY, INC. IS IN VIOLATION OF THE SURFACE MINING CONTROL AND RECLAMATION ACT THE REGULATORY SYSTEM, THE PERMIT AND THE RECLAMATION PLAN. - UNQUOTE

SPECIAL CONDITIONS:**PARTIAL DRAWINGS ARE PROHIBITED.****DRAFTS MUST BE MARKED: "DRAWN UNDER BANK ONE, NA CREDIT NO. STI20510."**

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH ALL THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT TO BANK ONE, NA, ATTN: STANDBY LETTER OF CREDIT DEPARTMENT, AT 1717 MAIN STREET, 11TH FLOOR, DALLAS, TEXAS 75201 ON OR BEFORE THE EXPIRATION OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.


AUTHORIZED SIGNATURE**BANK ONE, NA****SS:**