



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

OUTGOING
 0070011

Michael O. Leavitt
 Governor
 Robert L. Morgan
 Executive Director
 Lowell P. Braxton
 Division Director

1594 West North Temple, Suite 1210
 PO Box 145801
 Salt Lake City, Utah 84114-5801
 (801) 538-5340 telephone
 (801) 359-3940 fax
 (801) 538-7223 TTY
 www.nr.utah.gov

**DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET**

DATE: September 10, 2003
 FAX #: 435-687-2084
 ATTN: Mark Reynolds
 COMPANY: _____
 DEPARTMENT: _____
 NUMBER OF PAGES: (INCLUDING THIS ONE) 3
 FROM: _____

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
 We are sending from a Sharp facsimile machine. Our telecopier number is (801)359-3940.

MESSAGE:

Important: This message is intended for the use of the individual or entity of which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

BANK ONE, NA - 1717 MAIN STREET, 11TH FLOOR, DALLAS, TEXAS 75201
TELEPHONE 1-888-525-9395

AMENDMENT TO LETTER OF CREDIT NUMBER STI20510

DATE: JUNE 11, 2003

APPLICANT:

M.B.S.C., L.L.C. ON BEHALF OF HIAWATHA COAL COMPANY, INC.
3212 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84105

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*Fax to: Mark Reynolds**1-435-687-2084**From: Dam*

AMENDMENT NUMBER TWO (2)

GENTLEMEN:

PLEASE BE ADVISED THAT THE ABOVE REFERENCED LETTER OF CREDIT (THE "LETTER OF CREDIT") SHALL BE AMENDED AS FOLLOWS:

- **THE LETTER OF CREDIT NUMBER SHALL BE CHANGED FROM STI20510 TO 00336176**
- **THE LETTER OF CREDIT SHALL EXPIRE AT THE COUNTERS OF BANK ONE, NA AT THE ADDRESS INDICATED IN PARAGRAPH 4 BELOW.**
- **ALL DRAFTS AND DEMANDS, ARE TO BE DRAWN OR MADE ON BANK ONE, NA AND BEAR THE CLAUSE: "DRAWN UNDER IRREVOCABLE LETTER OF CREDIT NO. 00336176 ISSUED BY BANK ONE, NA".**
- **ALL DOCUMENTS AND OTHER COMMUNICATIONS TO BE DELIVERED OR MADE BY THE BENEFICIARY ON OR AFTER THE EFFECTIVE DATE SHALL BE PRESENTED TO:**

HAND DELIVERY OR COURIERBANK ONE, NA
ATTENTION: GTS - STANDBY LC UNIT
300 SOUTH RIVERSIDE PLAZA, 7TH FLOOR
MAIL CODE: IL 1-0236
CHICAGO, ILLINOIS 60606-0236

OR

US MAILBANK ONE, NA
ATTENTION: GTS - STANDBY LC UNIT
1 BANK ONE PLAZA
MAIL CODE: IL 1-0236
CHICAGO, ILLINOIS 60670-0236

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO.

ALL OTHER TERMS AND CONDITIONS OF THE CREDIT REMAIN UNCHANGED.

BANK ONE, NA


AUTHORIZED SIGNATURE

RECEIVED

JUN 13 2003

DIV. OF OIL, GAS & MINING

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

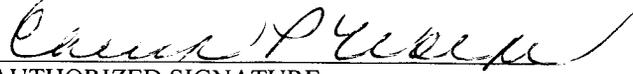
SPECIAL CONDITIONS:

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:

RECEIVED

DIV. OF OIL, GAS & MINING

TRANSACTION REPORT

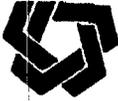
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FOR: OIL, GAS & MINING

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