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Internal
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From: Angela Nance
To: OGMCOAL
Date: 11/4/2009 4:54 PM
Subject: Fwd: Re: Hiawatha Bond
Place: OGMCOAL

>>> Jim Smith 11/4/2009 4:15 PM >>>
Pete and Daron,

Let's be sure we all follow this.

Page 8-8 of the Chapter 8 Update, Task ID # 3364, which we just approved, gives the 2008 bond as \$3,005,000. That was reduced by \$564,536 in January 2009 to \$2,440,464 (\$167,000 in the escrow agreement and \$2,273,464 with Chase). What you and Shawn (or Mark) worked out was to further reduce the \$2,440,464 to \$2,128,000 (\$167,000 + \$1,961,000), so the letter of credit with Chase can be reduced \$312,464 (\$2,273,464 - \$1,961,000), which is the number Hiawatha is giving Chase.

JIM

>>> Pete Hess 11/4/2009 3:39 PM >>>
Task ID # 3264 did approve a new total bond amount of \$ 2, 128,000, based on revised bond calculation costs which Shaun Baker and I hammered through as part of the approval.

See Page 8-8 is the new bond summary which shows the total bond amount should now be \$ 2, 128,000.

They still have the Bank of Utah treasury securities amounting to \$ 167,000.00

Therefore the dollar amount for the J. P. Morgan Chase letter-of-credit should now be

\$ 1, 961,000.

Please forward a letter to J. P. Morgan Chase Bank BY **NOVEMBER 12, 2009** stating that the new letter of credit amount required by the Division is \$ 1, 961,000.00.

Thank you.