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July 17, 2009

Ms. Angela Nance
Bond Coordinator
Utah Division of Oil Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

**RE: Reclamation Bond Replacement
Covol Engineered Fuels, LC – Wellington Plant
Pending Permit C/007/0045**

Dear Ms. Nance:

Currently, the bond for the Covol Engineered Fuels, LC (Covol) Wellington, Utah plant is a Letter of Credit (#CTCS-679537). This Letter of Credit will not be automatically extended and will expire on August 31, 2009. As requested in the Utah Division of Oil, Gas, and Mining letter dated April 21, 2009, Covol is submitting the enclosed cash bond to replace Letter of Credit #CTCS-679537.

If you have any questions, please call me at (801) 984-3770.

Sincerely,

A handwritten signature in cursive script that reads "Gina Rau".

Gina Rau
Environmental Manager

Enclosures (3)

cc: Kyle Edwards – Covol Engineered Fuels, LC

RECEIVED

JUL 20 2009

DIV. OF OIL, GAS & MINING

EXHIBIT "D"

**Stipulation to Revise
Reclamation Agreement
(Non-Federal)**

Permit Number: C/007/0045

Effective Date: _____

Bond Number: _____

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STIPULATION TO REVISE RECLAMATION AGREEMENT

--ooOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

The bonding type is changed from Letter of Credit to a Cash Surety.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- Replace the Reclamation agreement in its entirety.
- Replace Exhibit "A"- permit area.
- Replace Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ to \$ _____.

The bonding type is changed from Letter of Credit to Cash Surety.

The surface disturbance is revised from _____ acres to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed from \$ _____ to \$ _____.

IN WITNESS WHEREOF, Covol Engineered Fuels, LC the PERMITTEE has hereunto set its signature and seal this 15th day of July, 2009.

Covol Engineered Fuels, LC

PERMITTEE

By: John R Shaal

Title: Vice President of
Operations

ACCEPTED BY THE STATE OF UTAH this ____ day of _____, 20____.

Director, Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

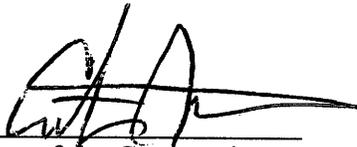
Bond Number

**AFFIDAVIT OF QUALIFICATION
PERMITTEE**

--ooOOoo--

I, John Shaal, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Vice President of Operations of Covol Engineered Fuels, LC ; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

John R Shaal Vice President of Operations
(Signed)
Name - Position

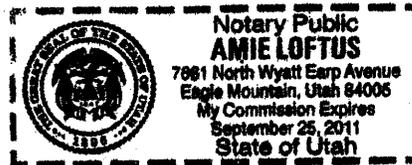
Attest: 
Secretary of the Corporation

STATE OF Utah)
COUNTY OF Salt Lake) ss:

Subscribed and sworn to before me this 15 day of July, 2009.

Amie Loftus
Notary Public

My Commission Expires:
September 25, 2011.





CHEQUE CHECK

9205801628 ⁹¹⁻²₁₂₂₁

Date 07/17/2009

Remitter COVOL ENGINEERED FUELS LLC

Pay: ONE HUNDRED SIXTY FIVE THOUSAND
DOLLARS AND 00 CENTS

\$ *****165,000.00***

Pay To The Order Of UTAH STATE TREASURER
FOR: UDOGM

Drawer: JPMORGAN CHASE BANK, N.A.

Michael Anderson

Senior Vice President
JPMorgan Chase Bank, N.A.
Phoenix, AZ

