

***** P.01 *****
 * 0006 TRANSACTION REPORT *
 * AUG-17-2009 MON 03:25 PM *
 * FOR: OIL, GAS & MINING 801 359 3940 *

 * DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP *

 * AUG-17 03:24 PM 13129545986 1'01" 3 SEND OK 617 *

 * TOTAL : 1M 1S PAGES: 3 *



Outgoing
c/007/0045
RECEIVED *OK*
AUG 13 2009

JPMorgan Chase Bank, N.A.
 Global Trade Services
 300 South Riverside Plaza
 Mail Code LL1-0236
 Chicago, IL 60606-0236

DIV. OF OIL, GAS & MINING
 AUG 10, 2009
 OUR L/C NO.: CTCS-679537
 AMENDMENT NO.: 1

TO:
 STATE OF UTAH
 UTAH DIVISION OF OIL, GAS AND MINING
 1594 WEST NORTH TEMPLE, SUITE 1210
 SALT LAKE CITY, UT 84116

APPLICANT:
 COVOL ENGINEERED FUELS, LC
 10653 RIVER FRONT PARKWAY
 ATTN: SCOTT BALLARD
 SUITE 300
 SOUTH JORDAN, UT 84095

IN ACCORDANCE WITH INSTRUCTIONS RECEIVED, THE ABOVE REFERENCED STANDBY LETTER OF CREDIT HAS BEEN AMENDED AS FOLLOWS:

RECEIVER'S REFERENCE: NONREF

APPLICANT HAS REQUESTED CANCELLATION OF THIS LETTER OF CREDIT. IF YOU AGREE TO THIS CANCELLATION, WE REQUEST THAT YOU RETURN THE ORIGINAL LETTER OF CREDIT INSTRUMENT AND ANY AMENDMENTS THERETO ACCOMPANIED BY WITNESSES

RECEIVED

AUG 13 2009

JPMorgan Chase Bank, N.A.
Global Trade Services
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, IL 60606-0236

DIV. OF OIL, GAS & MINING

AUG 10, 2009

OUR L/C NO.: CTCS-679537

AMENDMENT NO.: 1

TO:
STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84116

APPLICANT:
COVOL ENGINEERED FUELS, LC
10653 RIVER FRONT PARKWAY
ATTN: SCOTT BALLARD
SUITE 300
SOUTH JORDAN, UT 84095

IN ACCORDANCE WITH INSTRUCTIONS RECEIVED, THE ABOVE REFERENCED STANDBY LETTER OF CREDIT HAS BEEN AMENDED AS FOLLOWS:

RECEIVER'S REFERENCE: NONREF

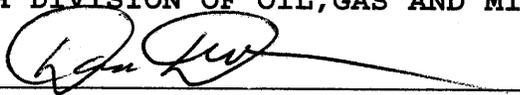
APPLICANT HAS REQUESTED CANCELLATION OF THIS LETTER OF CREDIT. IF YOU AGREE TO THIS CANCELLATION, WE REQUEST THAT YOU RETURN THE ORIGINAL LETTER OF CREDIT INSTRUMENT AND ANY AMENDMENTS THERETO ACCOMPANIED BY THIS AMENDMENT EVIDENCING YOUR SIGNED AGREEMENT BELOW VIA OVERNIGHT DELIVERY TO THE ATTENTION OF: STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, ILLINOIS 60606-0236.

IN THE EVENT YOU ARE UNABLE TO LOCATE THE ORIGINAL LETTER OF CREDIT INSTRUMENT BUT STILL WISH TO AGREE TO CANCELLATION, YOU MAY RETURN THIS AMENDMENT VIA FAX, INDICATING YOUR AGREEMENT BY SIGNING BELOW, ACCOMPANIED BY YOUR LETTER SIGNED BY AN AUTHORIZED OFFICER EVIDENCING:

- A) THIS LETTER OF CREDIT NUMBER
- B) YOUR STATEMENT READING: "WE HAVE MISPLACED/LOST THE ORIGINAL LETTER OF CREDIT INSTRUMENT. IN THE EVENT THE ORIGINAL LETTER OF CREDIT IS FOUND BY OURSELVES, WE WILL RETURN IT PROMPTLY TO YOU. MEANWHILE, PLEASE ACCEPT THIS LETTER AND THE ATTACHED SIGNED AMENDMENT AS OUR AGREEMENT TO CANCELLATION."

WE AGREE TO CANCELLATION OF THIS LETTER OF CREDIT

STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING


SIGNATURE

JPMorgan Chase Bank, N.A.
Global Trade Services
300 South Riverside Plaza
Mail Code IL1-0236
Chicago, IL 60606-0236

AUG 10, 2009
OUR L/C NO.: CTCS-679537

AMENDMENT NO.: 1

DANA DEAN ASSOCIATE DIRECTOR
PRINTED NAME & TITLE

August 17, 2009 (801) 538-5320
DATE & TELEPHONE NBR

IF YOU ARE NOT IN AGREEMENT TO THE CANCELLATION OF THIS LETTER OF CREDIT
PLEASE INDICATE YOUR REJECTION BY SIGNING BELOW AND RETURN YOUR REJECTION
TO US VIA FAX.

WE REJECT CANCELLATION OF THIS LETTER OF CREDIT

STATE OF UTAH
UTAH DIVISION OF OIL, GAS AND MINING

SIGNATURE

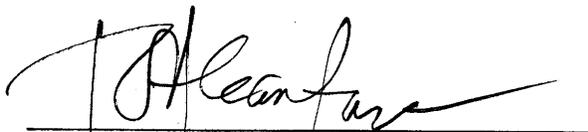
PRINTED NAME & TITLE

DATE & TELEPHONE NBR

OUR FAX NUMBERS: 312-954-5986, 312-954-0203, 312-954-2457

ALL OTHER TERMS AND CONDITIONS OF THE CREDIT REMAIN UNCHANGED.

NOTE: KINDLY SIGNIFY YOUR CONSENT TO THIS AMENDMENT BY SIGNING AND
RETURNING THE ENCLOSED COPY DIRECTLY TO US OR THE ADVISING BANK (IF ONE IS
PRESENT) FOR TRANSMISSION TO US. YOUR IMMEDIATE ATTENTION TO THIS MATTER
WILL BE APPRECIATED IN ORDER THAT WE MAY COMPLETE OUR RECORDS.



AUTHORIZED SIGNATURE



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 17, 2009

JPMorgan Chase Bank, N.A.
Standby Letter of Credit Unit
300 S. Riverside Plaza
Mail Code IL1-0236
Chicago, Illinois 60606-0236

Subject: Cancellation of Letter of Credit # CTCS-679537, Covol Engineered Fuels, LC,
COVOL site, C/007/0045, Outgoing File

To Whom It May Concern:

We received your request for cancellation of Letter of Credit #CTCS-679537 on August 13, 2009. The original Letter of Credit instrument was returned to Covol Engineered Fuels, LC on July 21, 2009 (see attached letter). We have requested that they forward the original Letter of Credit to you. Meanwhile, please accept this letter and the attached signed amendment as our agreement to cancellation.

If you have any questions, please feel free to call Angela Nance at (801) 538-5264.

Sincerely,

For
John R. Baza
Director

an
Enclosure
cc: Bond File
Price Field Office
O:\007045.COV\FINAL\LOCcancellation.doc

