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STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

January 25, 1988

Mr. Wayne Bare, President  
Sandy State Bank  
140 West 9000 South  
Sandy, Utah 84070

Dear Mr. Bare:

Re: Release of Irrevocable Letter of Credit #011, C. W. Mining, Incorporated, FKA, Co-Op Mining Company, Bear Canyon Mine, ACT/015/025, Folder #4, Emery County, Utah

The Division hereby releases Letter of Credit #011 (attached) in the amount of \$256,122, as of January 22, 1988. This letter has been replaced by Letter of Credit #15-1419-4, (January 6, 1988) from Guardian State Bank.

If you have any questions regarding this matter, please call me or Pamela Grubaugh-Littig.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton  
Administrator  
Mineral Resource Development  
and Reclamation Program

PGL/djh  
Attachment  
cc: E. Kingston  
P. Grubaugh-Littig  
9075R/30



**Sandy State Bank**

APR 10 15 1985  
#5

*IRREVOCABLE LETTER OF CREDIT*

*Irrevocable Commercial  
Letter of Credit No. 011*

*Date: October 23, 1985*

*State of Utah  
Division of Oil, Gas and Mining  
State Capitol Building  
Salt Lake City, Utah 84114*

*Gentlemen:*

*We hereby authorize you to draw on Sandy State Bank, 140 West 9000 South, Sandy, Utah 84070 by order of Co-op Mining Company and for the account of Co-op Mining Company up to an aggregate amount of \$237,545.00 available by your drafts at sight accompanied by a signed statement from your division that Co-op Mining Company has failed to conduct appropriate reclamation activities and that the State will therefore use the funds as necessary to complete the reclamation activities on the mining property located in Bear Canyon, Emery County. It is a condition of this letter of credit that it will be automatically extended for additional periods of up to one (1) year from the then relevant expiry date, unless sixty (60) days prior to that relevant expiry date, we, Sandy State Bank, notify you, the Division, that we, Sandy State Bank, elect not to extend this letter of credit, whereupon you, the Division, may elect either to obtain cash collateral by drawing your one sight draft on us for an amount not to exceed the unused balance of this letter of credit, or to let the letter of credit expire. The initial expiration date of this letter of credit is October 23, 1986.*

*Each draft must state that it is "drawn under Letter of Credit of Sandy State Bank No. 011 dated October 23, 1985" and the amount endorsed on this letter of credit.*

*We hereby agree with the drawers, endorsers and bona fide holder of all drafts drawn under and in compliance with the terms of this credit, that such drafts will be duly honored upon presentation to the drawee.*

*Sandy State Bank agrees to inform the Division of any event which would jeopardize the vailidity of their letter of credit, including the bank's ability to pay pursuant to the terms hereof or the expiration of their letter of credit by agreement between Co-op Mining Company and Sandy State Bank. That we, Sandy State Bank, send our notification to you, the Division, at the above-listed address by registered mail (return receipt requested) dated not less than sixty (60) days prior to expiration.*

*Service says it best*

*140 West 9000 South • Sandy, Utah 84070 • (801) 566-6611*

Irrevocable Letter of Credit No. 011  
State of Utah, Division of Oil, Gas and Mining  
October 23, 1985  
Page two

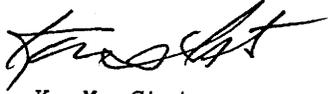
The undersigned has read and understands the regulations regarding letters of credit.

This letter of credit is not transferrable.

Except so far as otherwise expressly stated, this credit is governed by The Uniform Customs and Practices for Commercial Documentary Credits fixed by the Thirteenth Congress of the International Chamber of Commerce (1974 Revision, Brochure 290).

Very truly yours,

SANDY STATE BANK



K. M. Stats  
President



Sandy State Bank

December 29, 1986

RECEIVED  
JAN 05 1987

DIVISION OF  
OIL, GAS & MINING

State of Utah  
Division of Oil, Gas and Mining  
State Capitol Building  
Salt Lake City, Utah 84114

AMENDMENT

AMENDMENT

AMENDMENT

RE: Letter of Credit #011  
C. W. Mining, Inc.  
FKA Co-op Mining Company

Gentlemen:

Subject Letter of Credit #011 issued by Sandy State Bank in your favor dated October 23, 1985, is hereby amended to read:

"We hereby authorize you to draw on Sandy State Bank, 140 West 9000 South, Sandy, Utah 84070 by order of Co-op Mining Company and for the account of Co-op Mining Company up to an aggregate amount of \$256,122.00 available by your drafts at sight accompanied by a signed statement from your division that Co-op Mining Company has failed to conduct appropriate reclamation activities and that the State will therefore use the funds as necessary to complete the reclamation activities on the mining property located in Bear Canyon, Emery County."

All other terms and conditions remain the same.

Sincerely,

K. M. Stats  
President

KMS: saw

Service says it best

140 West 9000 South • Sandy, Utah 84070 • (801) 566-6611