



BANK of UTAH

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0041 C/015/025 Incoming

2605 Washington Blvd, Ogden, Utah 84401

GA

October 8, 2008

Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, UT 84165

And

Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202

RE: Letter of credit date 08/10/2007
Mine name: Bear Canyon
Permit #C/015/0025

Dear Sirs/Madam:

This letter is to serve notice that Bank of Utah has elected not to extend or renew the above referenced Letter of Credit, Executed by C.W. Mining, Department of Natural Resources Division of Oil, Gas & Mining and the office of Surface Mining, dated August 10, 2007, in the amount of \$362,000.00, with a maturity date of August 10, 2009. This notice is given more than the required 120 days notice required in paragraph 3 of the Letter of Credit, a copy of which is attached for you're convenience.

Yours Truly,

Dan Boren
Vice President
Special Assets/Collections

Cc: C. W. Mining

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DIV. OF OIL, GAS & MINING



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9320 South State Street, Sandy, Utah 84070

IRREVOCABLE STANDBY LETTER OF CREDIT

COPY

Beneficiary:

Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, UT 84165

and

Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202

Applicant:

C.W. Mining Company
aka Co-op Mining Co.
P.O. Box 65809
Salt Lake City, UT 84165
Mine Name: Bear Canyon Mine
Permit #C/015/0025

LETTER OF CREDIT NUMBER: 562

EXPIRATION DATE: 8/10/2008 (see additional condition #3 below)

PRESENTATION AT: Our counters presently located at 2605 Washington Blvd., 2nd Floor, Credit Services Dept., Ogden, UT 84402 on or before 5:00 p.m.

Amount (US Dollars) \$362,000.00
Three hundred Sixty Two Thousand and 00/100 US Dollars

We hereby issue this Irrevocable Standby Letter of Credit available by your draft(s) drawn at sight on Bank of Utah and accompanied by the following documents:

- #1 The original of this Letter of Credit, including any amendments for endorsement of the amount of any draft(s) on the reverse side thereof.
- #2 A signed statement from either Beneficiary, on their official letterhead, stating that the amount of their drawing represents funds due such Beneficiary for one or more of the following reasons:
 - a) "Pursuant to R645-301-880.900, C.W. Mining aka Co-op Mining Co., at its Bear Canyon Mine, under permit #C/015/0025, is in violation of one or more provisions of the Surface Mining Control and Reclamation Act, the Utah Coal Regulatory Program, the permit and/or the reclamation plan."
 - b) "Pursuant to R645-301-860.222 and R645-301-870 Beneficiary has been notified by Bank of Utah of its intent not to renew this Letter of Credit, and the permittee has failed to replace this Letter of Credit by other suitable bond at least 30 days prior to the expiration date or any extended expiration date."

Additional Conditions:

- 1. Partial Drawings are permitted.
- 2. Any drawings on this Letter of Credit by one Beneficiary will be binding on both Beneficiaries and any payments under this Letter of Credit shall be payable to both Beneficiaries, regardless of which Beneficiary may submit the draft and request payment.

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3. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE UNLESS BANK OF UTAH NOTIFIES YOU IN WRITING, AT LEAST ONE HUNDRED AND TWENTY (120) DAYS PRIOR TO SUCH EXPIRATION DATE, THAT BANK OF UTAH ELECTS NOT TO RENEW THIS LETTER OF CREDIT BEYOND SUCH EXPIRATION DATE.
4. We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without the written consent of the Beneficiaries.
5. Bank of Utah will give prompt notice to the permittee and to the Beneficiaries of any action filed alleging the insolvency or bankruptcy of the bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

Drafts drawn under this Letter of Credit must bear the clause "Drawn under Bank of Utah Irrevocable Standby Letter of Credit No. 562."

Pursuant to U.S. Law, we are prohibited from issuing, transferring, accepting or paying Letters of Credit to any party or entity identified by the Office of Foreign Assets Control, U.S. Dept. of Treasury, or subject to the denial of export privileges by the U.S. Dept. of Commerce.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500.

Bank of Utah

By

