

THE FOLLOWING LETTER MUST BE PRINTED ON
FINANCIAL INSTITUTION LETTERHEAD

New York State Department of
Environmental Conservation
Division of Mineral Resources
Bureau of Resource Mgmt. & Dev.
625 Broadway - 3rd Floor
Albany, NY 12233-6500

Re: Bluestone Exploration Financial Security

Dear Sir or Madam:

We hereby establish our Irrevocable Letter of Credit No. (Dated) in the name of the State of New York Department of Environmental Conservation for the account of (Bluestone Exploration Firm) in an aggregate amount not to exceed \$ (United States Dollars) available against your draft(s) at sight drawn on (Financial Institution), (City), (State) bearing the clause “drawn under (Financial Institution) Irrevocable Letter of Credit No. (dated) ” and accompanied by a statement signed by a duly authorized official acting on behalf of the New York State Department of Environmental Conservation, certifying that ... “the amount of the accompanying sight draft is due and payable to the Department of Environmental Conservation, State of New York”. (Bluestone Exploration Firm) is in violation of New York State Department of Environmental Conservation Law Article 23, Title 27, and its attendant Rules and Regulations.

This Irrevocable Letter of Credit shall be automatically renewed for additional terms of one (1) year or more unless the bank gives the Department at least ninety (90) days written notice of its intent to terminate the credit at the end of any term. The Department shall have the right to draw upon this Letter of Credit at any time to and including the termination date, up to the aggregate amount, less any prior drafts by the Department, and hold it as a cash collateral guarantee if (Bluestone Exploration Firm) fails to replace this Letter of Credit with other acceptable financial Security no later than 30 Business days after being informed by the Department that the bank has given its ninety (90) days written notice to terminate the credit at the end of any term, or otherwise upon sight draft of the Department.

We hereby engage with you that drafts drawn under and in compliance with the terms of this credit will be duly honored.

This Letter of Credit is subject to and governed by the laws of the State of New York and the 1993 revision of the Uniform Customs and Practices for Documentary Credits of the International Chamber of Commerce, Publication No. 500.

Sincerely,

(authorized signature)
Bank Officer Name and Title
SIGNATURE MUST BE NOTARIZED