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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
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3482, UTU-74804, (UT-923)

DEPT OF THE INTERIOR MINING FEB 07 2005

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Derrel Curtis
General Manager
Hidden Splendor Resources
P.O. Box 32
Helper, Utah 84526

McWine
2/07/05
FAX PEO
Copy Wayne H, N,
and PAM

Re: Modification to the Resource Recovery and Protection Plan (R2P2), Horizon Mine
Federal Coal Lease UTU-74804

Dear Mr. Curtis:

The Bureau of Land Management (BLM) has received a modification to the R2P2 from Hidden Splendor for the subject mine. The modification revises the timing and layout of the mining plan now that Hidden Splendor has restarted the Horizon Mine after acquisition from the previous lessee. The revision is for the only Federal coal lease, UTU-74804 and associated fee coal lands.

The Hidden Splendor mining plan is based on a north-west/south-east orientation. Hidden Splendor states that the orientation will allow for panels to parallel the prevalent faulting trend and to probe/cross the faults with submains.

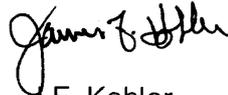
The BLM agrees with the proposal. The new layout will avoid multiple fault crossings in mining panels and, in turn, provide for better delineation of the faults. Remaining recoverable reserves are projected by Hidden Splendor to be 5.9 million tons and they report that 0.52 million tons have been recovered as of 10 Jan 2005. BLM has independently confirmed that 5.9 million remaining recoverable tons is reasonable.

BLM last inspected the mine on 22 September 2004. Some changes have been made to the overall plan approved by this letter and attached map. Hidden Splendor is requested to provide modifications to this approved mine plan on or before 28 February 2005.

This approval of a minor modification to an existing R2P2 is Categorically Excluded from the National Environmental Policy Act (NEPA) analysis in that no new surface disturbance will occur from this action as stated in Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

The modification of the R2P2 complies with the Mineral Leasing Act of 1920, as amended, the regulations at 3480, and the lease terms and conditions and will achieve maximum economic recovery of the Federal coal. The revised R2P2 for the Horizon Mine is approved as submitted. A copy of the approved mine map is enclosed. If you have any questions, please contact Stephen Falk at the Price Field Office (435) 636-3605 or Jeff McKenzie of my staff at (801) 539-4038.

Sincerely,



J.F. Kohler
Branch Chief, Solid Minerals

Enclosures:
Approved Mine Map

cc: UT-070, Price Field Office (w/encl.)
Utah Division of Oil Gas and Mining (w/encl.)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

