



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3482
UTU-74804
(UT-923)

Refer to *Expandable* 03062007
file in C0070020, 2007, *INCOMING*
for additional information

MAR 06 2007

Certified Mail--Return Receipt Requested

Kit Pappas
Manager Engineering/Environmental Services
Hidden Splendor Resources, Inc.
3266 South 125 West
Price, Utah 84501

OK
Incoming
C/007/0020
copy PSD, DWH

Re: Minor Modification to the Resource Recovery and Protection Plan (R2P2), New sub-mains and longer panels, Horizon Mine

Dear Mr. Pappas:

On December 11, 2006, the Price Field Office of the Bureau of Land Management (BLM) received an R2P2 modification request from Hidden Splendor for the subject mine. The proposed modification revises the mine layout and the extraction timing of the mining on Hidden Splendor's only Federal coal lease (UTU-74804) and on other non-federal coal lands.

Proposed Plan: Production panels still remain on a north-west/south-east orientation but will branch off of new sub-mains, 3rd North and 1st South. This panel orientation is favorable for delineating faults and for limiting fault crossings within panels. The proposed modification allows for longer pillar panels, and provides potential access to possible future reserves to the north-east via the new 3rd North sub-mains. Hidden Splendor plans to mine coal northeast of the suspected northern fault should conditions allow. The proposed mining of coal located across faults found in the west and southwest parts of the lease is also now depicted. Hidden Splendor has also eliminated mine workings in the north end of the lease (where coal is less than 5 ft high) from the subject R2P2 modification request. Copies of the current roof control and ventilation map (as approved by Mine Safety and Health Administration) and the updated timing map were received by the BLM December 26, 2006 and on February 26, 2007, respectively.

Approval: The BLM approves the proposed R2P2 modification. The revised mine layout creates longer production panels and still parallels the trend of the faults. Mains and sub-mains will provide access to, and will probe the lease for, minable blocks of coal in this area known for its many faults and geologic conditions adverse to mining. A copy of the approved mine map is included in Enclosure 1, Approved Mine Timing Map.

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DIV. OF OIL, GAS & MINING

Maximum Economic Recovery (MER): Full extraction of recoverable coal reserves will enable Maximum Economic Recovery (MER) of the Federal coal in lease UTU-74804 to be achieved.

Recoverable Reserve Base: The updated recoverable coal reserve base for UTU-74804 is reported in Enclosure 2, Approved Recoverable Coal Reserve Base (confidential and proprietary company information). While the mining area and layout of the modified R2P2 differ from those of the previous approved R2P2, the calculated change to the recoverable reserve base for Federal coal lease UTU-74804 is minimal.

Inspection: The mine was inspected by the BLM on September 27, 2006, and mining was proceeding as planned.

National Environmental Policy Act (NEPA): No new surface disturbance is predicted with this action, and therefore this action is Categorically Excluded (CX) from NEPA analysis under DM 516 chapter 11.5, paragraph F. (8): Approval of minor modifications to, or minor variances from, activities described in an approved underground or surface mine plan for leasable minerals. (e.g., change in mining sequence or timing.).

This R2P2 modification complies with the Mineral Leasing Act of 1920, as amended, the regulations at CFR 3480, and the lease terms and conditions. If you have any questions, please contact Stephen Falk at the Price Field Office at (435) 636-3605 or Jeff McKenzie of my staff at (801) 539-4038.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals

Enclosures:

- 1) Approved Mine Timing Map
- 2) Approved Recoverable Coal Reserve Base

cc: UT-070, Price Field Office (w/ Enclosures 1 & 2)
Utah Division of Oil Gas and Mining (w/ Enclosure 1)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Horizon R2P2 Mod 2007 March PB-SA