

Outgoing  
C0070020  
&



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

June 1, 2010

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

Subject: Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements,  
Hidden Splendor Resources Inc., Horizon Mine, C/007/0020

Dear Mr. Pappas:

Thank you for meeting with the Division on May 19, 2010 to discuss the development of a protection and enhancement plan for potentially affected wildlife in the Beaver Creek area and raptor survey requirements for Horizon Mine. The Division understands that retreat mining under Beaver Creek was performed by Hidden Splendor in the Second West Main area during late 2005. Retreat mining under Beaver Creek is forecasted for 2010 and 2011 based on information provided by Hidden Splendor in the Horizon Mine 2009 Annual Report.

Hidden Splendor is currently committed to develop a protection and enhancement plan in conjunction with the Division of Wildlife Resources (DWR) and the Division of Oil, Gas and Mining prior to any secondary or retreat mining under Beaver Creek (MRP Section 10-7 page 10-40). In accordance with R645-300-142, coal mining and reclamation operations will be conducted only as described in the approved permit application. Hidden Splendor must therefore either develop a protection and enhancement plan as described in the approved MRP or submit an application to modify the MRP. An application to modify the MRP must demonstrate that a protection and enhancement plan for Beaver Creek is not necessary because there will be no adverse impacts to fish and wildlife and related environmental values during coal mining and reclamation operations.

Hidden Splendor is also currently committed to verify and protect raptor nests prior to full pillar extraction mining (MRP Section 10.5.1.2, pages 10-39 to 10-40). An active raptor nest will be verified prior to full pillar extraction being completed within 500 feet of the nest. If the nest is still active, full pillar mining will leave a 200-foot barrier around the nest location. If the nest is inactive, a barrier of 100 feet will be left around the nest location. Mitigation of nests either active or inactive lost due to impacts from mining will be replaced under the guidelines and assistance of DWR. The letter from DWR on December 1, 2004 regarding the discontinuance of Horizon Mine's helicopter raptor surveys indicates that ground raptor surveys

Page 2  
Kit Pappas  
June 1, 2010

may be required in areas where there is a serious destruction threat to nests. In order to comply with R645-300-113, the Migratory Bird Treaty Act, and U.A.C. Title 23-13-3 Wildlife Resources Code of Utah, Hidden Splendor must submit an amendment demonstrating that subsidence at the Horizon Mine does not pose a serious destruction threat to nests. Otherwise, Hidden Splendor must conduct ground surveys for potential nesting raptor species within conifer and aspen habitats. These species include red-tailed hawk, goshawk, Cooper's hawk and sharp shinned hawk.

If you have any questions, please feel free to call me at (801) 538-5325 or Kevin Lundmark at (801) 538-5352.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock". The signature is written in black ink and is positioned above the printed name and title.

Daron R. Haddock  
Permit Supervisor

DRH/KWL/sqs  
cc: Leroy Mead, DWR  
Price Field Office  
O:\007020.HZN\FINAL\HZN P&E plan letter2.doc