



United States Department of the Interior

C/007/020 Incoming
cc: Dana



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:
3486
UTU-74804
UT (923)

RECEIVED
MAY 19 2011

MAY 18 2011

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL—Return Receipt Requested 7009 1410 0001 9070 9899

Mr. Alex Walker
Hidden Splendor Resources Inc.
American Plaza II
57 West 200 South, Suite 400
Salt Lake City, Utah 84101

Re: Lease bond demand overdue on Federal Coal Lease UTU-74804

NOTICE OF NON-COMPLIANCE

The Bureau of Land Management (BLM) is issuing this notice of non-compliance to Hidden Splendor Resources, Inc. based on the failure to increase its bond by \$264,000 or provide a new bond in the amount of \$400,000 by COB May 4, 2011.

History: On April 18, 2011 the BLM required Hidden Splendor Resources Inc., to do one of the following by the close of business on May 4, 2011:

1. Increase its bond at the Horizon Coal mine by \$264,000,
2. Provide a new bond in the amount of \$400,000 or ,
3. Provide written justification on clarifying your position for a lesser bond amount.

As of the date of this notice of non-compliance the BLM has not received any correspondence on the bond increase issue.

Grounds: The regulations at 43 CFR 3474.2 require a bond for each lease be “furnished in the amount determined by the authorized officer”.

Company Action: In order to come in compliance with this notice, Hidden Splendor Resources Inc., must submit, within 30 days of receipt of this notice of non-compliance, either an increase to their lease bond in the amount of \$264,000, or provide a new bond for \$400,000 or furnish written documentation why the bond should be a lesser amount.

Failure: Failure to comply with this notice of non-compliance will result in the BLM taking further enforcement actions as per 43 CFR 3486.3 (a).

Appeal Rights: This decision may be appealed to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations at 43 CFR Part 4 and the enclosed form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office within 30 calendar days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that you appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards;

- (1) The relative harm to the parties if a stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of the immediate and irreparable harm if the stay is not granted, and;
- (4) Whether the public interest favors granting the stay.

If you have any questions, feel free to contact Mr. Stan Perkes (801) 539-4036.

s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure

Form 1842-1

cc: Price Field Office
Utah Division of Oil, Gas, and Mining (Attn. Coal Program), 1594 West North Temple,
Suite 1210, Box 145801, Salt Lake City, UT 84114-5801
Files - UTU-74804
Minerals Management Service

NonCompliance05-17-11SP-SA