

C/007/020 Inw mi
cc: Steve C.
JRB
DD
Coal



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:

3452

UTU-74804

(UT-9223)

JUL 01 2014

RECEIVED

JUL 02 2014

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 91 7199 9991 7033 9291 4923

Return Receipt Requested

Ms. Kathleen Clarke
Public Lands Policy Coordination Office
State of Utah
5110 State Office Building
P. O. Box 141107
Salt Lake City, Utah 84114-1107

RE: Notification to the Governor on regarding cancellation of a Federal coal lease

Dear Ms. Clarke:

In accordance with the regulations at 43 CFR 3452-2, a notice must be sent to the Governor of the affected State, concerning actions taken by the Department of the Interior regarding the initiation of cancellation of a Federal coal lease.

Please be advised that Hidden Splendor Resources, Inc., lessee of Federal coal lease UTU-74804, has been delinquent for unpaid royalties and rent, and their lease bond was attached and appropriated for payment of these delinquent amounts. Subsequent decisions requiring the lessee to replace their lease bond dated January 30, 2014, and March 20, 2014, have not been complied with. A notice of non-compliance was issued on April 30, 2014, with a 30-day timeframe to comply. On June 3, 2014, the Bureau of Land Management (BLM) State Director extended the time for compliance until August 5, 2014. If no reply is received by that date, it is the intent of the BLM to refer this lease to the Office of the Solicitor and U.S. Attorney's Office to institute proceedings in a court of competent jurisdiction for the cancellation of this lease.

If you have any questions or comments regarding this office proceeding with cancellation proceedings for this coal lease, please send them within 30 days of receipt of this letter to:

Bureau of Land Management
Utah State Office
Deputy State Director, Lands and Minerals
440 West 200 South, Suite 500
Salt Lake City, Utah 84101

If you have any questions, please contact Bill Buge of this office at (801) 539-4086.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Hoffman", written in a cursive style.

Kent Hoffman
Deputy State Director,
Division of Lands and Minerals

cc: Mr. John Baza, Director, Utah Division of Oil, Gas and Mining, Box 145801
Salt Lake City, Utah 84114-5801

Hidden Splendor Resources, Inc., 57 West 200 South, Suite 400, Salt Lake City,
Utah 84101