GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 30, 2019

Kay Colosimo, Treasurer
Carbon County
751 East 100 North, Suite 1100
Price, Utah 84501

Subject: Hidden Splendor/Horizon Mine Tax Sale

Dear Ms. Colosimo:

The Division of Oil, Gas and Mining (DOGM) received your 'Notice of Tax Sale' letter for the Hidden Splendor Resources, Ltd. Property in Carbon County. It's our understanding that a tax sale has been scheduled for May 23rd, 2019. The purpose of this letter is to request that the tax sale be postponed at this time.

Last summer, DOGM completed the majority of reclamation work of the Horizon Mine. However; additional work remains for this construction season. Six monitoring wells need to be properly cased/sealed. Additional re-vegetation work has also been scheduled for this summer.

As the Horizon Mine is a bond forfeiture site, DOGM is the regulatory authority responsible for ensuring the successful reclamation and stability of the Horizon Mine site per the requirements of the Surface Mining Control and Reclamation Act (SMCRA). Our responsibility under SMCRA extends until such time as vegetation has been re-established and the reclaimed slopes and drainage channels are stable. Once those conditions are established, DOGM will terminate its jurisdiction on the property.

Given the above average water year we're experiencing, we're hopeful that the seeding efforts we undertook last fall will be successful. If that's the case, DOGM could potentially terminate jurisdiction next year (late spring/early fall 2020). If, for whatever reason, our vegetation efforts are not successful, an additional year may be necessary in order to ensure the stability of the mine site.

It's not DOGM's intention to unnecessarily delay the tax sale of the property, but rather an attempt to avoid any potential issues that could arise with a new property owner who is unfamiliar with the requirements of SMCRA. Until we can terminate our jurisdiction on the

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

property, the SMCRA requirements/obligations associated with the property remain, regardless of the owner.

Realistically, an additional year would allow us to complete our work and (fingers crossed) establish vegetation. The worst case scenario for DOGM to terminate jurisdiction would be the spring of 2021.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/ss
O:\007020.HZN\Tax Sale\DOGM DelaySale Letter\Tax Sale Colosimo.doc