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HAND DELIVERED

May 1, 2003

Ms. Mary Ann Wright, Associate Director
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Incoming
C/007/020
Copy Mary Ann,
Deion, Paul

Re: *Permit No. C/007/020*
Horizon Mine
Carbon County, Utah

Enclosed for your information is a copy of the Assignment of Permit dated March 24, 2003 from Lodestar Energy, Inc., by William D. Bishop in his capacity as Chapter 11 Trustee, to Hidden Splendor Resources, Ltd.

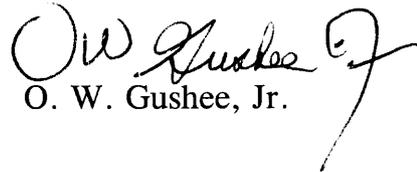
Confirming our telephone conversation of May 1, 2003, David Miller, former Lodestar Energy, Inc. Business Manager, has prepared the Hidden Splendor Resources, Inc. (formerly Hidden Splendor Resources, Ltd.) application for approval of the assignment of the permit and it is ready to be filed as soon as the letter of credit and certificate of liability insurance coverage are available. Hidden Splendor has been notified by its bank that the new reclamation bond in the form of a letter of credit has been approved. It is expected to be issued next week. Our client is meeting with its insurance broker today to get an update on the schedule for issuance of the previously requested liability insurance policy certificate. Hidden Splendor's goal is to file the complete application by the end of next week.

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Ms. Mary Ann Wright
May 1, 2003
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If you need further information, please let me know.

Yours very truly,


O. W. Gushee, Jr.

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Mr. David Miller

