

0013

LAW OFFICES

PRUITT, GUSHEE & BACHTELL

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111-1495

(801) 531-8446

TELECOPIER (801) 531-8468

E-MAIL: mail@pgblaw.com

THOMAS W. BACHTELL
A. JOHN DAVIS, III
FREDERICK M. MACDONALD
GEORGE S. YOUNG
ROBERT S. THOMPSON, III*
ANGELA L. FRANKLIN
WILLIAM E. WARD
SHAWN T. WELCH
RELMA M. MILLER
MATTHEW L. CROCKETT

SENIOR COUNSEL:

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.

OF COUNSEL:

ROBERT G. PRUITT, III
ROBERT H. LOVELL

*ADMITTED IN COLORADO AND WISCONSIN ONLY

May 15, 2003

Via Hand Delivery

Lowell Braxton, Director
Utah Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Reoning
C/007/020

Re: Application for approval of transfer of Permit # C-007-020 ("Permit") for the Horizon Mine, Carbon County Utah

Dear Lowell:

Attached are the following items:

1. Copy of fax dated May 15, 2003, received by the undersigned from Bank One together with a copy of the described Letter of Credit dated May 14, 2003, Hidden Splendor's Reclamation Bond. The original of the Letter of Credit is apparently being delivered by Bank One to the Department of Natural Resources today. In response to a telephone inquiry, Bank One advised that the original Letter of Credit is actually being delivered to the Division of Oil, Gas and Mining but not to a named individual. I would appreciate being informed when that original Letter of Credit arrives at your office.
2. Transmittal letter from Hidden Splendor Resources dated May 6, 2003, together with the numerous items described in that letter comprising the Application for Approval of Transfer of the Permit in its entirety, with one exception discussed below.
3. Letter addressed to Mary Ann Wright from Hidden Splendor dated May 6, 2003 noting the submission of the Letter of Credit Reclamation Bond and the request for vacation of the Cessation Order on the Horizon Mine.

RECEIVED
MAY 15 2003
5/16/03
mbw

DIV. OF OIL, GAS & MINING

May 15, 2003

Page 2

Also enclosed are the following items relative to the liability insurance coverage which Dave Miller and I discussed with you on the telephone several days ago, the certificate of which is not yet available for enclosure with the Application:

(1) A copy of the Lodestar Energy Certificate of Liability Insurance reflecting an expiration date of August 31, 2003, which I would presume is still in effect until such time as you have approved the transfer of the Permit to Hidden Splendor.

(2) Certificate of Liability Insurance issued to Independent Contractor Services Company, with Hidden Splendor as an additional insured party, relative to the contractor's employees working on the surface at Hidden Splendor Mine.

(3) Letter dated May 15, 2003 to DOGM from insurance broker, Charles James Cayias, briefly commenting on the status of insurance coverage ordered by Hidden Splendor.

As soon as Hidden Splendor's Certificate of General Liability Insurance is available to us, we will provide it to you, if it is not otherwise provided directly by the insurance carrier, for insertion in the appropriate place as shown in the attached application.

Very Truly Yours,



O.W. Gushee, Jr.

OWG:aw

Enclosures

cc: Mr. Steve Demczak w/ enclosures

DOGM Price Field Office

c/o College of Eastern Utah

451 East 400 North

Price, UT 84501-2699

cc: Hidden Splendor, via facsimile

cc: David Miller

May 15 2003 6:51 P.02

BANK ONE, NA

Fax:214-290-3224

NO. 4697 P. 2

MAY. 14. 2003 5:09PM



Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0209
SWIFT: FNBCUS44
Telex: FT43J0253 FNBCU

DATE: MAY 14, 2003

BENEFICIARY:
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84114

DRAFTS DRAWN MUST BE MARKED:
WITH OUR REF 00335483
OPENER'S REFERENCE NO. 00335483

GENTLEMEN:

BY THE ORDER OF:

APPLICANT:
ALEXANDER H. WALKER, JR.
AND CECIL ANN WALKER
FBO HIDDEN SPLENDOR RESOURCES, LTD.
57 WEST 200 SOUTH, SUITE 400
SALT LAKE CITY, UT 84101

WE HEREBY ISSUE OUR IRREVOCABLE CREDIT NO. 00335483 IN YOUR FAVOR FOR THE ACCOUNT OF ALEXANDER H. WALKER, JR. AND CECIL ANN WALKER FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLAR 342,000.00 (THREE HUNDRED FORTY TWO THOUSAND AND NO/100 U.S. DOLLARS) AVAILABLE BY YOUR DRAFTS AT SIGHT ON BANK ONE, NA, CHICAGO, ILLINOIS EFFECTIVE MAY 14, 2003 AND EXPIRING AT OUR COUNTERS ON APRIL 15, 2004.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AGAINST YOUR DRAFT (S) MENTIONING OUR CREDIT NUMBER.

YOUR SIGNED AND DATED STATEMENT READING AS FOLLOWS:

"PURSUANT TO R645-301-800, HIDDEN SPLENDOR RESOURCES LTD., IS IN VIOLATION OF THE SURFACE MINING CONTROL AND RECLAMATION ACT THE REGULATORY SYSTEM THE PERMIT AND RECLAMATION PLAN."

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRY DATE HEREOF OR ANY FUTURE EXPIRY DATE UNLESS AT LEAST NINETY (90) DAYS PRIOR TO SUCH EXPIRATION DATE WE NOTIFY YOU BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED OR HAND DELIVERED COURIER, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

THE CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE-PUBLICATION NO.500.

(CONTINUED)

PAGE 1 OF 2

May 15 2003 6:51 P.03

BANK ONE, NA

Fax:214-290-3224

NO. 4697 P. 3

MAY 14 2003 5:10PM



Bank One, NA
Global Trade Services
One Bank One Plaza
Mail Code IL1-0236
Chicago, IL 60670
Tel: (800) 634-1969 Fax: (312) 954-0203
SWIFT: FNBCUS44
Telex: ITT4330253 FNBCUI

OUR REF: 00335483

DATE: MAY 14, 2003

WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN CONFORMITY WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED TO: BANK ONE, NA, ATTN: STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, IL 60606-0236, ON OR BEFORE THE EXPIRY DATE. THE ORIGINAL LETTER OF CREDIT AND AMENDMENT(S), IF ANY, MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO BANK ONE, NA, ATTN: STANDBY LETTER OF CREDIT UNIT, 300 S. RIVERSIDE PLAZA, MAIL CODE IL1-0236, CHICAGO, IL 60606-0236, MENTIONING OUR REFERENCE NUMBER AS IT APPEARS ABOVE.

VERY TRULY YOURS,


(AUTHORIZED SIGNATURE)


(AUTHORIZED SIGNATURE)

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
8/28/02

PRODUCER

Acordia of Kentucky-Lex
Lexington Green Two, Suite 410
220 Lexington Green Circle
Lexington KY 40503-3311
(800) 273-8600

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY
A Federal Insurance Company
- COMPANY
B
- COMPANY
C
- COMPANY
D

COPY

INSURED

Lodestar Energy, Inc. Debtor in Possession
Lodestar Holdings, Inc. Debtor in Possession
251 Tollage Creek Road
Pikeville, KY 41501

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTOR'S PROFIT	37111001	8/31/02	8/31/03	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 500,000 MED EXP (Any one person) \$ 50,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	73518090	8/31/02	8/31/03	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUS/TORY LIMITS/OTHER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EA EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS, LOCATION & VEHICLE(S) SPECIAL ITEMS
 General Liability including Blasting Operations.
 Permit #Act/007/001 White Oak Mining Complex, Permit #Act/007/020 Horizon Coal Mine

CERTIFICATE HOLDER

Utah Division of Oil, Gas and Mining
1994 W. North Temple
Suite 1210
Salt Lake City, UT 84114-8801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

AUTHORIZED REPRESENTATIVE

Philip B. Gibson

Philip B. Gibson

HIDDEN SPLENDOR RESOURCES, INC.

May 6, 2003

RECEIVED

MAY 15 2003

DIV OF OIL GAS & MINING

Mr. Lowell Braxton, Director
Utah Division of Oil, Gas and Mining
Coal Program
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

*Re: Application for Approval of Transfer of Permit
No. C/007/020 ("Permit") for the Horizon No. 1
Mine*

Dear Mr. Braxton:

Hidden Splendor Resources, Inc. ("Hidden Splendor") has acquired the Horizon Mine Property and requests approval of the transfer of the captioned Permit from Lodestar Energy, Inc. to Hidden Splendor.

Attached are the C1 and C2 forms for the modifications of Chapter 2 Legal and Financial. The Appendices in this Chapter have included copies of the documentation necessary for the transfer of this permit to Hidden Splendor. Three (3) copies are being submitted to the Salt Lake Office and one (1) copy to the DOGM – Price Field Office.

(a) Copy of Order dated March 18, 2003 issued by the United States Bankruptcy Court for the Eastern District of Kentucky (Lexington Division) in the Lodestar Energy, Inc. etc. ("Lodestar") Chapter 11 Proceeding under the Bankruptcy Code authorizing the sale of the Horizon Mine Property to Hidden Splendor (Appendix 2-1);

(b) Assignment of Permit (No. C/007/020) to Hidden Splendor dated March 24, 2003 executed by William D. Bishop, in his capacity as Chapter 11 Trustee (Appendix 2-1);

(c) Assignment of mining leases, water leases, easements, cash bonds, and other items to Hidden Splendor dated March 24, 2003 executed by William D. Bishop, in his capacity as Chapter 11 Trustee (Appendix 2-1);

(d) Assignment of Federal Coal Lease UTU-74804 to Hidden Splendor dated March 24, 2003 executed by William D. Bishop, in his capacity as Chapter 11 Trustee (Appendix 2-1);

Mr. Lowell Braxton
May 6, 2003
Page 2

(e) Designation of Operator for Mining Permit No. C/007/020 executed by the Trustee to Hidden Splendor, to be utilized during the time period prior to approval of the Assignment in planning and preparation for post-approval resumption of mining operations (Appendix 2-1);

(f) Copy of New Insurance Certification and Affidavit of Publication notifying the transfer of the mining permit from Lodestar Energy to Hidden Splendor (Appendix 2-2)

(g) Copy of Statement of Qualifications of Hidden Splendor filed with the Bureau of Land Management in connection with the transfer of Federal lease UTU-74804, part of Horizon Mine Property (Appendix 2-4)

If there are any questions or concerns regarding this submittal please contact David B. Miller, Engineering Consulting Services in Spanish Fork, UT at (801) 798-7903 office or (801) 319-3804 cell. We have retained his services in regard to permitting, sampling and monitoring matters. He will be coordinating our submittals to all governmental agencies.

Sincerely,



Cecil Ann Walker
President

cc: Trustee, Lodestar Chapter 11
DOG M – Price Field Office
DWQNPDEStransfer 4-03.doc

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Current - Lodestar Energy, Inc. New Permittee - Hidden Splendor Resources, Inc.

Mine: Horizon Mine **Permit Number:** C/007/020

Title: Updated Chapter 2 Legal and Financial

Description, Include reason for application and timing required to implement:

Transfer of Permit from Lodestar Energy, Inc. to Hidden Splendor Resources, Inc.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

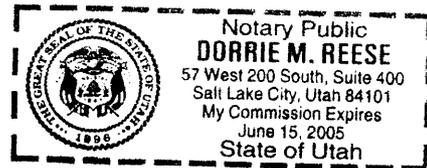
Cecil Ann Walker
Print Name

Cecil Ann Walker, Pres 5-6-03
Sign Name, Position, Date

Subscribed and sworn to before me this 6th day of May, 2003

Dorrie M. Reese
Notary Public

My commission Expires: _____, 20__ }
Attest: State of _____ } ss:
County of _____



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

Received by Oil, Gas & Mining

Form DOGM - C2 (Revised March 12, 2002)

HIDDEN SPLENDOR RESOURCES, INC.

May 6, 2003

Mrs. Mary Ann Wright, Associate Director, Mining
Utah Division of Oil, Gas and Mining
Coal Program
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

*Re: Submission of "Letter of Credit" and Request for
Vacating of Cessation Order #C03-51-2-1 of Permit
No. C/007/020 ("Permit") for the Horizon No. 1
Mine*

Dear Mrs. Wright:

Hidden Splendor Resources, Inc. ("Hidden Splendor") is submitting a "Letter of Credit" for the reclamation bond for Permit No. C/007/020 the Horizon Mine. Hidden Splendor requests that the Cessation Order # C03-51-2-1 written March 12, 2003 to Lodestar Energy, Inc. requiring the immediate posting of an adequate bond be vacated upon the Division accepting the "Letter Of Credit" posted by Hidden Splendor. Hidden Splendor wishes to have the shadow of this Order removed so we can resume business unencumbered.

Attached is a C1 forms identifying the submittal of a new bond.

If there are any questions or concerns regarding this submittal please contact David B. Miller, Engineering Consulting Services in Spanish Fork, UT at (801) 798-7903 office or (801) 319-3804 cell. We have retained his services in regard to permitting, sampling and monitoring matters. He will be coordinating our submittals to all governmental agencies.

Sincerely,



Cecil Ann Walker
President

cc: Trustee, Lodestar Chapter 11

DOGM030506b.doc

RECEIVED

5/16/03
MAY 15 2003 *mn*

DIV OF OIL GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Current - Lodestar Energy, Inc. New Permittee - Hidden Splendor Resources, Inc.

Mine: Horizon Mine **Permit Number:** C/007/020

Title: Replacement of Frontier Insurance Bond with a Letter of Credit from Hidden Splendor Resources

Description, Include reason for application and timing required to implement:

Transfer of Permit from Lodestar Energy, Inc. to Hidden Splendor Resources, Inc.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # CO# C03-51-2-1
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

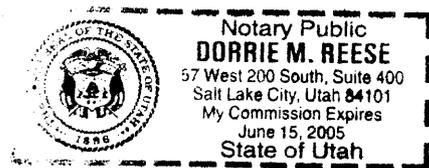
CECIL ANN WALKER
Print Name

Cecil Ann Walker, Pres. 5-6-03
Sign Name, Position, Date

Subscribed and sworn to before me this 6th day of May, 2003

Dorrie M. Reese
Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
03/26/2003

PRODUCER (270)821-3122 FAX (270)825-3844
RIDDLE INSURANCE
245 SOUTH MAIN STREET
PO BOX 549
MADISONVILLE, KY 42431

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

COPY

INSURED Independent Contractor Services, Co
PO Box 836
214 East 100N
Price, UT 84501

INSURER A: AIG (COML LINES)
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	GL5442067	01/01/2003	01/01/2004	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC7206588	01/01/2003	01/01/2004	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

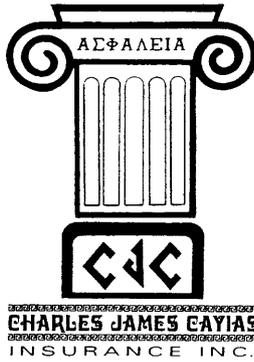
CANCELLATION

HIDDEN SPLENDOR RESOURCES LTD.
AMERICAN PLAZA II
57 W. 200 SOUTH, SUITE 400
SALT LAKE CITY, UT 84101-1632

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

J. Craig (Chip) Riddle V./S/



May 15, 2003

Utah Division of Oil, Gas and Mining
1594 West Temple #1210
Salt Lake City, UT 84114-5801

Re: Horizon Mine #1
Coal Permit C/007/020

To Whom It May Concern:

We are pleased to inform you that the paper work for the Horizon Mine #1, has been submitted to Chubb Insurance Group. We are waiting for a policy number from Chubb Insurance Group and will forward a certificate to you as soon as our office receives the policy number.

In order to expedite the process, please provide the "Certificate Holder" information (exact wording as required).

If you have any questions, please do not hesitate to call me.

Sincerely,

Charles James Cayias
President



CHARLES JAMES CAYIAS INSURANCE INC.

2120 South 1300 East, Suite 105
Salt Lake City, Utah 84106

www.cayias.com

Office (801) 488-0085
Fax (801) 463-6683