

## INSPECTION REPORT

Partial XXX Complete      Exploration       
 Inspection Date: 07/15/2003 Time: 10:00am-1:00pm  
 Date of Last Inspection: 06/16/2003

Mine Name: Horizon Mine County: Carbon Permit Number: C/007/020  
 Permittee and/or Operator's Name: Hidden Splendor Resources, Inc.  
 Business Address: 50 West Liberty Street, Suite 880, Reno, Nevada 89501  
 Company Official(s): Mark Wayment  
 State Official(s): Stephen J. Demczak Federal Official(s): None  
 Weather Conditions: Sunny, 80's  
 Type of Mining Activity: Underground XXX Surface      Prep Plant      Other       
 Existing Acreage: Permitted 711 Disturbed 9 Regraded      Seeded       
 Status: Active

### REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
  - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 <sup>th</sup> Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**INSPECTION REPORT**  
(Continuation Sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 07/15/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

**1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE**

The Horizon Mining Permit has been transferred to Hidden Splendor Resources, Inc as of July 1, 2003. The permit will expire on October 11, 2006. There are two conditions set forth in the Mining and Reclamation Permit. These are a) Hidden Splendor Resources, Inc will submit water quality data by using the Electronic Data Input System and b) to update the permit transfer information in the Mining and Reclamation Plan by August 1, 2003.

No permitting actions have been submitted to the Division by the new permittee.

**4A. HYDROLOGIC BALANCE: DIVERSIONS**

The diversions were spot-checked throughout the property. Mining equipment was in the diversion next to the road leading to the offices. The permittee has consented to move the equipment out of the diversion.

**4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS**

The mine site sediment pond was dry. No hazardous conditions were noticed during the inspection.

**4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES**

The silt fences were functioning as designed. The permittee will have to replace several straw bales along the road. Sheep or cattle have destroyed several straw bales.

**8. NONCOAL WASTE**

The area was generally clear of non-coal waste material.

**18. SUPPORT FACILITIES/UTILITY INSTALLATIONS**

The permittee is in the process of moving the stacking tube several feet away from the facilities road. In the past, coal would stack on the road. This action does not require an amendment.

**19. AVS CHECK**

An AVS check was made during the permit transfer.

**INSPECTION REPORT**  
(Continuation Sheet)

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**20. AIR QUALITY PERMIT**

There will be no changes to the existing Air Quality Permit.

**21. BONDING AND INSURANCE**

I inspected the insurance accord form. This document meets the minimum requirements of the R645 Coal Rules. The policy will expire on July 1, 2004. The company affording the insurance is Lexington Insurance Company. The policy is #2916445.

Inspector's Signature: \_\_\_\_\_ Date: July 16, 2003  
Stephen J. Demczak #39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM  
Alexander Walker, Hidden Splendor, SLC  
Price Field office  
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