

**UTAH DIVISION OF OIL, GAS AND MINING  
STATE DECISION DOCUMENT  
PERMIT TRANSFER**

Hidden Splendor Resources, Inc.  
Horizon Mine  
C/007/020  
Carbon County, Utah

July 1, 2003

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## **ADMINISTRATIVE OVERVIEW**

Hidden Splendor Resources, Inc.  
Horizon Mine  
C/007/020  
Carbon County, Utah

July 1, 2003

### **PROPOSAL**

Hidden Splendor Resources, Inc. submitted an application to transfer the permit rights for the Horizon Mine on May 15, 2003.

### **RECOMMENDATION**

All of the information submitted by Hidden Splendor Resources, Inc. has been found adequate to transfer the permit for the Horizon Mine. The permit transfer was published in the Price Sun Advocate on April 8, 2003. No comments were received.

An OSM-AVS recommendation was verified on July 1, 2003 with no violations found for Hidden Splendor Resources, Inc. The Horizon Mine had a cessation order issued on March 13, 2003 because of no bond. Hidden Splendor Resources, Inc. has posted adequate bond for this permit transfer.

Adequate liability insurance was posted by Hidden Splendor Resources, Inc. and received on June 19, 2003. A surety was posted in the amount of \$342,000 and the Reclamation Agreement signed.

It is, therefore, recommended that approval be given for the transfer of the permit rights from Lodestar Energy, Inc. to Hidden Splendor Resources, Inc. be approved.

## PERMITTING CHRONOLOGY

Hidden Splendor Resources, Inc.  
Horizon Mine  
C/007/020  
Carbon County, Utah

July 1, 2003

May 15, 2003	Hidden Splendor Resources, Inc. submits a permit transfer application for the Horizon Mine.
April 8, 2003	The permit transfer notice is published in the Price <u>Sun Advocate</u> .
May 8, 2003	Thirty-day comment period ends. No comments received.
May 14, 2003	Irrevocable Letter of Credit from Bank One in the amount of \$342,000 issued for Hidden Splendor Resources, Inc. at the Horizon Mine.
June 19, 2003	Certificate of Insurance received.
July 1, 2003	An OSM recommendation with no violations found from the Applicant Violator System (AVS) for the permit transfer from Lodestar Energy, Inc. to Hidden Splendor Resources, Inc.
July 1, 2003	The Reclamation Agreement is received.
July 1, 2003	Permit Transfer

## FINDINGS

Hidden Splendor Resources, Inc.  
Horizon Mine  
C/007/020  
Carbon County, Utah

July 1, 2003

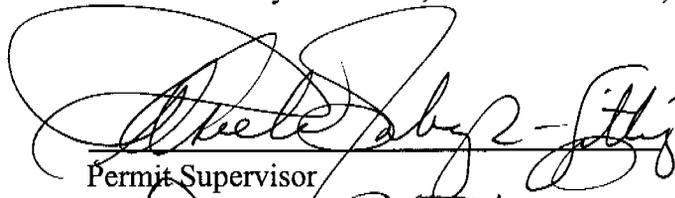
The applicant for transfer of permit rights of the Horizon Mine, Hidden Splendor Resources, Inc. has committed to continue to conduct the operation involved in full compliance with the terms and conditions of the permit. (R645-300-133.)

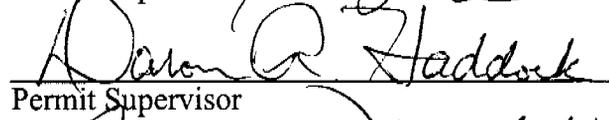
Currently Hidden Splendor Resources, has submitted a bond sufficient to cover reclamation costs in the permit area (\$342,000). Hidden Splendor Resources, Inc. will assume all liability for compliance with terms and conditions of the Horizon Mine permit and any orders, stipulations or conditions associated with the permit.

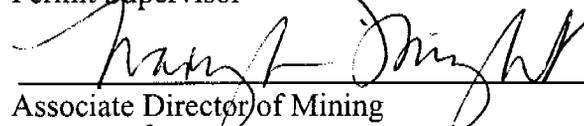
The following findings specifically apply to the application for transfer of permit rights:

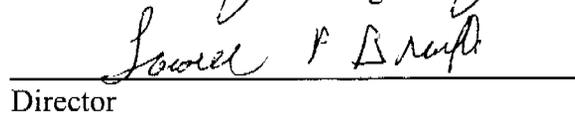
1. Division records and the results of the 510 (c) clearance check, show that neither Horizon Mining, LLC or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violation of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act. See memo to file dated July 1, 2003.
2. The State of Utah, the Division has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.
3. The applicant has the legal right to enter and begin coal mining activities at the Horizon Mine. (R645-300-133.300) (Transfer of lease interest by BLM, dated April 16, 2003 and U.S. Bankruptcy Court Order for the Eastern District of Kentucky, Lexington Division, dated March 24, 2003 assigned Hidden Splendor, Inc. all right, title and interest in the Horizon Mine.)
4. Hidden Splendor Resources, Inc. agrees to pay all reclamation fees for the Horizon Mine as required by 30 CFR Part 870. (R645-300-133.730) (Cecil Ann Walker will pay the abandoned mine land reclamation fees).
5. Procedures for public participation have complied with the requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate on April 8, 2003 as required by R645-303-322.

6. The applicant has obtained a performance bond equivalent to the bonding requirements of the existing permit, in the amount of \$342,000. (R645-303-342) (Irrevocable Letter of Credit issued by Bank One, ILOC #00335483).

  
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Permit Supervisor

  
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Permit Supervisor

  
\_\_\_\_\_  
Associate Director of Mining

  
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Director