

Hidden Splendor Resources
Horizon Mine – Mid-State Services
P.O. Box 32, Helper, Utah 84526
Phone: (435) 472-0431 – Fax: (435) 472-0439

May 12, 2005

Ms. Pamela Grubaugh-Littig
 Utah Coal Program
 Utah Division of Oil, Gas and Mining
 1594 West North Temple – Suite 1210
 Box 145801
 Salt Lake City, UT 84114-5801

Re: Hidden Splendor Resources, Inc.
 Horizon Mine
 C/007/0020
 Permit Boundary Expansion Application
 Task ID #2115

Incoming
C/007/0020 OK
#2249

Dear Pam:

Hidden Splendor Resources respectfully submits the response to the Technical Analysis of the above referenced Task ID as requested by the May 6, 2005 Deficiency Letter.

As was stated in the April 7, 2005 Response Cover Letter, following a conference call on March 18, 2005 with Jim Smith and Wayne Western of your office and Alex Walker, Mark Wayment and myself of Hidden Splendor Resources, Inc., several of the items discussed were requested by Hidden Splendor Resources, Inc. personnel to be approved as stipulations or conditional approvals.

Specifically, R645-301-525-290, requesting a stream profile for Beaver Creek has been agreed to however, we will be unable to complete this request until such time as snow cover has melted and the area is accessible. Also, R645-301-525.490, requesting subsidence monitoring stations be placed along Beaver Creek and seeps and springs in the area cannot be accomplished for the same reason. Changes to the text were made addressing this item and the proposed subsidence monitoring stations are shown on the amended Plate 3-3.

With regards to R645-301-521, Mark Wayment has completed all of the requirements to obtain his Utah Professional Engineer License and is waiting for Utah Division of Occupational and Professional Licensing approval. We anticipate this approval in the very near future.

These stipulations were agreed to by both entities during the March 18, 2005 conversation.

Along with this submittal are five (5) CD's containing the updated files and drawings.

Thank you for your cooperation in this matter.

If you have any questions or comments, please feel free to contact me at 435-472-0431.

RECEIVED

MAY 16 2005

DIV. OF OIL, GAS & MINING

File In C 0070020 *Wayment*
 Date: 05/12/2005 Refer to:

Confidential
 Shelf
 Expandable
 For additional information

Hidden Splendor Resources
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P.O. Box 32, Helper, Utah 84526
Phone: (435) 472-0431 – Fax: (435) 472-0439

Sincerely,

A handwritten signature in cursive script, appearing to read "Kit Pappas".

Kit Pappas
Environmental/Engineering Services

cc: File

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: HIDDEN SPLENDOR RESOURCES, INC.

Mine: HORIZON MINE

Permit Number: C/007/020

Title: EXPANSION OF PERMIT BOUNDARY TO INCLUDE ALL OF FEDERAL LEASE U-74804

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

RESPONSE TO TECHNICAL ANALYSIS TASK ID# 2115, MAY 12, 2005

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: 866 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.

DERREL CURTIS

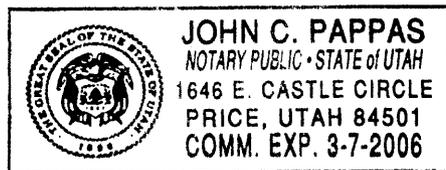
Print Name

Derrel Curtis General Supr.
Sign Name, Position, Date 5-12-05

Subscribed and sworn to before me this 12 day of MAY, 2005

John C Pappas
Notary Public

My commission Expires: MARCH 7, 2006 }
Attest: State of UTAH } } ss:
County of CARBON



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

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MAY 16 2005

DIV. OF OIL, GAS & MINING

