

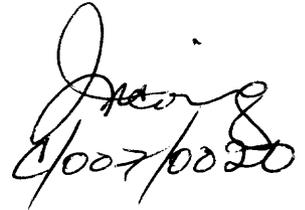
0020

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

May 18, 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



Kit Pappas
C/007/0020

Dear Pam:

Pursuant to a telephone conversation today with Wayne Western of your office, Hidden Splendor Resources respectfully submits the response requested by Wayne for the above referenced Task ID.

Along with this submittal are five (5) CD's containing the updated Chapter 3 and the accompanying C-1 and C-2 Forms.

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.

Sincerely,



Kit Pappas
Environmental/Engineering Services

cc: File

RECEIVED
MAY 19 2005
DIV. OF OIL, GAS & MINING

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.

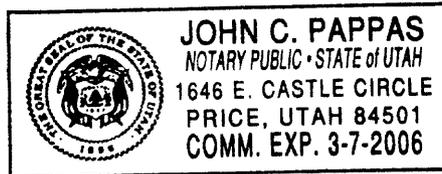
DERREL CURTIS
Print Name

Derrel Curtis General Mgr 5-18-05
Sign Name, Position, Date

Subscribed and sworn to before me this 18 day of MAY, 2005

John C. Pappas
Notary Public

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



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="font-size: 24pt; font-weight: bold;">RECEIVED</p> <p style="font-size: 18pt; font-weight: bold;">MAY 19 2005</p> <p>DIV. OF OIL, GAS & MINING</p>
------------------------------------	---	---

- (4) Subsidence, should it occur, is not likely to affect the Beaver Creek flow due to the numerous beds of swelling shales within the overburden and interburden. Fractures within these sedimentary deposits have a strong tendency to heal due to the swelling of the shales and sandy shales contained therein.

Refer to Sections 3.4.8.2 and 7.1.6 for a discussion of water resource mitigation measures.

3.4.8.5 Subsidence Control and Monitoring Plan

The subsidence monitoring network will consist of permanent survey monuments located outside of the anticipated area of subsidence and a series of monitoring stations within the potential subsidence zone (Plate 3-3). The monitoring stations are located so at least one is subsided each year that mining occurs and will be installed with steel re-bar/rod with aluminum caps or other permanent metal or steel structures set so that weather, frost heave, or livestock will not disturb them. The locations are approximate in that they may be moved in the field if the panel moves underground.

Additionally, four (4) monuments will be placed along Beaver Creek and at Water Monitoring Locations SP-4 and SP-9. The locations of the monuments can be found on Plate 3-3, Mine Plan (By Year) With Seam Height And Overburden & Subsidence Monitoring Points. The locations of Springs SP-4 and SP-9 can be found on Plate 7-1, Water Monitoring Location. The operator also commits to conducting a stream profile for Beaver Creek that shows the pre-subsidence and anticipated subsidence profiles as soon as weather permits.

Multiple readings will be taken where necessary to ensure accuracy. Monitoring of the subsidence stations noted on Plate 3-3 will be performed as stated above for a period of two years following final cessation of mining operations. Reports of monitoring will be sent to the UDOGM on a yearly basis.

A land (pedestrian) survey will be conducted over each panel no sooner than six months after the panel is mined out but no later than on year after. This survey will include critical areas such as areas of maximum tension and compression.

As shown on Plate 3-3, two "angle of draw" lines have been calculated. One for 35 degrees and one for 22.5 degrees. Both lines were calculated based on the depth of cover in the particular mining area.

The 35 degree angle is considered a maximum in the United States and is recommended by C. Richard Dunrud, P.E. as a maximum in the Western Coal Fields (Dunrud, 1976). The 22.5 degree angle is considered more likely in this area as the nearby Beaver Creek Mines used a 20 degree angle (Guy, 1985) and other mines in the Wasatch and Bookcliffs Coal Basins use values from 20 degrees to 25 degrees.

To establish an actual "angle of draw" value, Hidden Splendor commits to locating a "Draw Line" on the surface over one of the first panels mined and pillared, (2nd Right 1st North, 3rd Right 1st North or 4th Right 1st North). This "Draw Line" will be placed over the panel, perpendicular to the mining direction and will extend far enough on either side of the panel to include the potential 35 degree angle of draw. This "Draw Line" will consist of surveyed points approximately every 50 feet along its length and will be installed before pillaring. After pillaring is complete in the panel, the line will be surveyed a second time to provide a "before" and "after" profile for the surface. These profiles can then be compared to each other to determine the actual angle of draw for this overburden.