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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

INCOMING
C0070070

cc: Pam G.

RECEIVED
JUL 05 2005
DIV. OF OIL, GAS & MINING

June 30, 2005

Ms. Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Hidden Splendor Resources, Inc.
Horizon Mine

Dear Pam,

In reviewing the permit expansion application for the Horizon Mine, I am concerned about the potential effect of mining under Beaver Creek, which is a perennial stream. This stream is tributary to the Price River above the two municipal water treatment plants; therefore, any diminution of tributary flow could affect this supply of water. It also provides water for several irrigation diversions downstream of the treatment plants. As I am sure you are already aware that there are several summer homes in Beaver Creek, which could also be damaged if subsidence is allowed to occur. As well as possible interference with their culinary water systems most of which are supplied by springs.

I trust that Horizon Mine has been gathering base line data on surface and underground sources in the canyon, which would help determine if/any interference occurs in the canyon.

If I can provide any specific information that would be helpful in your review of this application, I would be happy to do so upon your request.

Sincerely,

Mark P. Page
Regional Engineer

MPP/lis