



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:		
Company	Kit Pappas	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

Inspection Report

Permit Number:	C0070020
Inspection Type:	COMPLETE
Inspection Date:	Friday, February 18, 2005
Start Date/Time:	2/18/2005 10:00:00 AM
End Date/Time:	2/18/2005 2:00:00 PM
Last Inspection:	Friday, January 21, 2005

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Snowing, Temp 30 deg F

InspectionID Report Number: 537

Accepted by: pgrubaug
 2/23/2005

Permittee: **HIDDEN SPLENDOR RESOURCES INC**
 Operator: **HIDDEN SPLENDOR RESOURCES INC**
 Site: **HORIZON MINE**
 Address: **HC 35 BOX 370, HELPER UT 84526**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

1,998.99	Total Permitted
9.50	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit Condition #1 states that Hidden Splendor Resources will enter their water monitoring information into the electronic database, EDI. This condition is being met.

Permit Condition #2 states that Hidden Splendor Resources, Inc will update the appropriate sections of the mining and reclamation plan with the permit transfer information by August 1, 2003. This condition has been completed.

No violations.

The Division is currently reviewing an amendment application for a permit boundary expansion, Task ID #2115.

Inspector's Signature

Date Friday, February 18, 2005

Karl Houskeeper, Environmental Scientist III
 Inspector ID Number: 49

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

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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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Permit Condition #1 states that Hidden Splendor Resources will enter their water monitoring information into the electronic database, EDI. This condition is being met.

Permit Condition #2 states that Hidden Splendor Resources, Inc will update the appropriate sections of the mining and reclamation plan with the permit transfer information by August 1, 2003. This condition has been completed.

No violations.

The Division is currently reviewing an amendment application for a permit boundary expansion, Task ID #2115.

The current DOGM permit C/007/020 was issued effective 07/01/2003 and expires 10/11/2006.

- Certificate of Insurance issued 06/01/2004 and terminates 06/01/2005.
- UPDES permit UTG040000 (General) UTG040019 (Site Specific) effective 05/01/2003 and expires midnight 04/30/2008.
- Air Quality permit DAQE-700-70, issued November 7, 2000.
- SPCC Plan dated September 2003.

2. Signs and Markers

The mine ID sign was observed at the point of public access to the mine. The sign contained the name of the mine, permit number, and MSHA number. The sign does not contain the address and phone number. The operator's representative committed in the previous inspection to have the required information placed on the sign. The operator presented a copy of a purchase order for a new sign that will contain the required information during the inspection.

4.a Hydrologic Balance: Diversions

The large slab of concrete noted in the previous inspection as being in the diversion has been removed. The diversions are open.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The annual pond certification for 2004 was done in conjunction with the second quarter 2004 pond inspection. The report was P.E. certified by a stamp and it was signed and dated on 04/13/04. The first quarter 2005 pond inspection was done on 02/08/05.

4.c Hydrologic Balance: Other Sediment Control Measures

Several silt fences were checked during the complete inspection. All of the fences that were observed were in good repair.

4.d Hydrologic Balance: Water Monitoring

Fourth quarter 2004 water monitoring is in the EDI website and uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The January 2005 discharge monitoring reports were reviewed during the inspection. Outfall 001 (sediment pond) did not discharge. Outfall 002 (mine water) discharged at a rate of 350 gpm. No parameters were exceeded.

20. Air Quality Permit

The Air Quality Permit Approval Order DAQE-700-00 was issued on November 7, 2000 and remains in effect.

21. Bonding and Insurance

The bond is secured by a letter of credit through Bank One in the amount of \$57,000 and collateral to add up to the amount of \$342,000. This letter of credit will expire April 1 and is being replaced.

The insurance is through Federal Insurance Company. The policy was issued on 06/01/04 and expires on 06/01/05. The policy meets the minimum requirements, includes XCU coverage, has the proper cancellation clause and lists the State of Utah as the certificate holder.