



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

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Governor

GARY R. HERBERT
Lieutenant Governor

May 6, 2005

Derrell Curtis, General Manager
Hidden Splendor Resources, Inc.
57 West 200 South, Suite 400
Salt Lake City, Utah 84101

Subject: Permit Boundary Expansion, Hidden Splendor Resources, Inc., Horizon Mine, C/007/0020, Task ID #2215

Dear Mr. Curtis:

The Permit Boundary Expansion includes the remaining portion of lease U-74804 extending northward from Beaver Creek, approximately 866 acres. The lease is in Carbon County and can be located on the Jump Creek 7.5 minute quadrangle map in portions of sections 6, 7 and 8, T. 13 S., R. 8 E., SLBM.

Permittee's Action	Received	DOGM's Action	Dated
Original submittal	05/21/2004	Assigned Task # 1933	
		Technical Analysis	09/21/2004
Response to Task # 2093	01/14/2005	Assigned Task # 2115	
		Deficiency Letter	03/09/2005
Response to Task # 2115	04/08/2005	Assigned Task # 2215	

The above-referenced amendment has been reviewed. Before the Division can approve this amendment, the Permittee must provide the information outlined in the following deficiencies, in accordance with the R645 Coal Mining Rules cited. For clarification or more information, you can contact the Division specialist whose initials are at the end of each deficiency.

DWD	Dave Darby	(801) 538-5341
JCH	Joe Helfrich	(801) 538-5290
JDS	Jim Smith	(801) 538-5262
WHW	Wayne Western	(801) 538-5263

Draft Technical Memos and a draft TA have been prepared, but final versions of these documents will not be prepared until all technical deficiencies have been resolved. Please respond to the following deficiencies by June 8, 2005.

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If you have any questions, please call me at (801) 538-5268 or Jim Smith
at (801) 538-5262.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
cc: Price Field Office
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TECHNICAL DEFICIENCIES

R645-301-521, The Permittee must have all required maps and cross sections listed under Section R645-301-512 certified by a qualified professional engineer who is licensed in the State of Utah. Mark Wayment who is licensed in the State of Indiana certified the maps and cross section in the submittal. The Division cannot accept an out of state certification. Note: An engineer licensed in another state may be able to get a Utah license by application. See the Utah Division of Occupational and Professional Licensing for details. [WHW]

R645-301-521.160, The Permittee must show the location of the modified conveyor system and the crushing and screening plant on the surface facilities map. [WHW]

R645-301-525.290, The Permittee must include in the submittal a stream profile for Beaver Creek that shows the presubsidence and anticipated subsidence profiles. [WHW]

R645-301-525.490, The Permittee must place subsidence-monitoring stations along Beaver Creek and near the seeps and springs in the area. The information will be used in determining if subsidence contributed to contamination, diminution, or interruption to state-appropriated water supplies or caused material damage to the land and protected structures. [WHW]

R645-301-525.480, -731.530, The statement "...First, a determination will be made in accordance with R645-301-731.530 as to whether or not material damage has occurred. Then, in accordance with Regulation R645-301-525.510, Horizon Mine will correct any material damage resulting from subsidence caused to surface lands (which includes water rights), ..." in Section 7.1.6 can be construed as meaning prompt replacement of state-appropriated water supplies will not be done until and unless there is a determination of material damage, which is not in accordance with either R645-525.480 or R645-301-731.530. The statement regarding determination of material damage in R645-301-525.480 applies only to subsidence related damage to the land and protected structures, not to water supplies. The replacement of State-appropriated water supplies required under R645-301-525.480 and R645-301-731.530 is not contingent on a determination of material damage, but simply on a determination of contamination, diminution, or interruption as determined from baseline hydrologic and geologic information. The Permittee must

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clarify that its water replacement plan is not contingent on a determination of material damage. [JDS]

R645-301-830.140, The Permittee must update the physical facilities list in Section 3.2.3, Surface Buildings and Structures, Plate 3-1 and the bond calculations so that the names of the buildings and structures are correct and consistent. Example of inconsistencies include but not limited to: Section 3.2.3 Fueling Station/Map 3-1 Fuel Tank; Section 3.2.3 Storage Building/Map 3-1 Storage; Section 3.2.3 two substations/Map 3-1 shows only one. Waste water tank and water tank are shown on Map3-1 but not listed in Section 3.2.3. [WHW]