

Hidden Splendor Resources
Horizon Mine – Mid-State Services
3266 South 125 West, Price, Utah 84501
Phone: (435) 472-0431 – Fax: (435) 472-0439

May 15, 2006

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 Renewal Application

Scoring
5/07/0020

Dear Pam:

Hidden Splendor Resources, Inc. respectfully submits the required information for the Permit Renewal Application for the Horizon Mine

As was discussed in an earlier telephone conversation between us, it was determined that since the entire Permit had been revised last July, and no changes to the existing Permit have occurred, all that was required for the Permit Renewal Application was a copy of the current Bond, Liability Insurance and a copy of the Proposed Public Notice. These items are all enclosed in this application.

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

Kit Pappas
Environmental/Engineering Services

cc: File

RECEIVED

MAY 17 2006

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: PERMIT RENEWAL

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

CURRENT PERMIT EXPIRES OCTOBER 11, 2006

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: _____ 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)

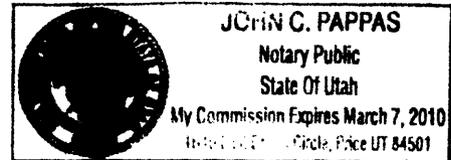
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

JOHN C. PAPPAS
Print Name

General Manager 5/15/06
Sign Name, Position, Date

Subscribed and sworn to before me this 15 day of MAY, 2006

John C Pappas
Notary Public



My commission Expires: MARCH 7, 2010
Attest: State of UTAH } ss:
County of CARBON

For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

RECEIVED

MAY 17 2006

DIV. OF OIL, GAS & MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 5, 2003

Lynn Drummond
Bank One
50 West Broadway, Suite 500
Salt Lake City, Utah 84101

Re: Reduction in Amount of Letter of Credit, Hidden Splendor Resources, Inc.,
Horizon Mine, C/007/020, Outgoing File

Dear Ms. Drummond:

Please amend the current Irrevocable Letter of Credit () and reduce the amount from \$342,000 to \$57,500. If you have any questions, please feel free to call Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton
Director

an

cc: Cecil Ann Walker, Hidden Splendor Resources, Inc. ✓
Price Field Office

O:\007020.HZN\FINAL\reduce LOC\letter.doc

ZIONS BANK®

P.O. Box 30709, Salt Lake City, UT 84130-0709

Statement of Accounts
 Page 1 of 1
 This Statement: June 30, 2005
 Last Statement: May 10, 2005

Primary Account:

0053481 01 AV 0.278 **AUTO TO 1 1901 84101-183200 05 1 ZFN PG0010 00000
 ALEXANDER H WALKER JR
 CECIL A WALKER
 57 W 200 S STE 400
 SALT LAKE CITY UT 84101-1832

DIRECT INQUIRIES TO:
 24-hour Account Information:
 Logan: 788-9995
 Ogden: 383-9995
 Provo: 375-9995
 Salt Lake: 974-8800
 St. George: 674-9995
 1 (800) 974-8800 (outside local areas)



Head Office
 1 South Main
 Salt Lake City, UT 84111-1904

WE HAVEN'T LEARNED YET WHO KEEPS US IN BUSINESS. ®

SUMMARY OF ACCOUNT BALANCES

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Statement Savings	0026020511	\$67,919.54	

STATEMENT SAVINGS DEPOSIT

Previous Balance	Deposits/Credits	Withdrawals/Charges	Ending Balance
0.00	57,919.54	0.00	57,919.54

2 DEPOSITS/CREDITS

Date	Amount	Description
05/11	57,879.88	DEPOSIT 0050158188
06/30	39.66	INTEREST PAYMENT 0005874499

0 WITHDRAWALS/CHARGES

There were no transactions this period.

DAILY BALANCES

Date	Amount	Date	Amount
05/11	57,879.88	06/30	57,919.54

INTEREST

Interest Earned This Interest Period	\$39.66	Number Of Days This Interest Period	51
Interest Paid Year-To-Date 2005	\$39.66	Annual Percentage Yield Earned	0.50%

Current interest rate is 0.50%

Interest rate changes this interest period:	Date	New Interest Rate
	05/11	0.50%



MEMBER FDIC

AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY
(10-17-92)

*Supp
CC: C/007/005*

Policy No. 72107-

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
 - (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
 - (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

METRO NATIONAL TITLE

Broadway Centre
Suite 111
111 East Broadway
Salt Lake City, Utah 84111
(801) 363-6633
FAX (801) 363-6651

John Stoughton

CHICAGO TITLE INSURANCE COMPANY

By:

President

By:

Secretary



CHICAGO TITLE INSURANCE COMPANY

SCHEDULE A

Order No.: 03036268

Policy No.

Date of policy: AUGUST 04, 2003 AT 3:43 P.M.
Amount of insurance: \$ 342,000.00

1. Name of insured:

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES,
DIVISION OF OIL, GAS & MINING

2. The estate or interest in the land described in this schedule and which is encumbered by the insured mortgage is:

FEE SIMPLE

3. The estate or interest referred to herein is at date of policy vested in:

ALEXANDER H. WALKER, JR. and CECIL ANN WALKER,
husband and wife

4. The mortgage referred to as the insured mortgage, and the assignments thereof, if any, are described as follows:

A Deed of Trust With Assignment of Rents, and the terms and conditions thereof:

Stated Amount		\$342,000.00
Trustor		ALEXANDER H. WALKER, JR. and CECIL ANN WALKER, husband and wife
Trustee		METRO NATIONAL TITLE
Beneficiary		STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES, DIVISION OF OIL, GAS & MINING
Dated		AUGUST 01, 2003
Recorded		AUGUST 04, 2003
Entry No.		8759481
Book/Page		8856/735

5. The land referred to in this policy is in the State of UTAH, County of SALT LAKE described as follows:

Unit No. R-2404-N, contained within the AMERICAN TOWERS CONDOMINIUM, as the same is identified in the Record of Survey Map, and in the Declaration of Covenants, Conditions and

CHICAGO TITLE INSURANCE COMPANY

ATTACHED TO AND MADE A PART OF
POLICY NO:

CONTINUATION OF SCHEDULE A

ORDER NO.: 03036268

Restrictions and Bylaws of the AMERICAN TOWERS CONDOMINIUMS, recorded in Salt Lake County, Utah, on July 30, 1982, as Entry No. 3697665, in Book 5400, at Page 292, and in Book 82-7 of Plats, at Page 64 of Official Records.

TOGETHER WITH: (a) The undivided ownership interest in said Condominium Project's Common Areas and Facilities which is appurtenant to said Unit, (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest relates); (b) The exclusive right to use and enjoy each of the Limited Common Areas which is appurtenant to said Unit, and (c) The non-exclusive right to use and enjoy the Common Areas and Facilities included in said Condominium Project (as said Project may hereafter be expanded) in accordance with the aforesaid Declaration and Survey Map (as said Declaration and Map may hereafter be amended or supplemented) and the Utah Condominium Ownership Act.

CHICAGO TITLE INSURANCE COMPANY

SCHEDULE B - PART I

ORDER NO.: 03036268

POLICY NO.:

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE BY REASON OF THE FOLLOWING:

1. Lien of Taxes, now accruing as a lien, but not yet due and payable
Year | 2003
Sidwell No. | 15-01-283-325
Prior year | 2002 Paid
2. The land described herein is located within the boundaries of Salt Lake City and is subject to any assessments levied thereby. (CURRENT)
3. Subject to any Special Assessments contained within Salt Lake City Special Districts including Street Lighting, Curb and Gutter, and Main Street Improvements where applicable.
4. An Ordinance:
Dated | JULY 17, 1996
Recorded | JULY 17, 1996
Entry No. | 6408191
Book/Page | 7445/1854
An Ordinance adopting the City-Wide Transportation Master Plan of 1996.
5. Resolution No. 00 of 2000
Recorded | DECEMBER 12, 2000
Entry No. | 7779133
Book/Page | 8407/6500
A Resolution to create Salt Lake City, Utah Central Business Improvement District No. DA-CBID-00, to authorize the recording of this Resolution and the Notice of Intention to create this District; and related matters.
6. A Petition to Join Special Improvement District No. 38-830
Dated | OCTOBER 18, 1989
Recorded | JANUARY 22, 1990
Entry No. | 4873348
Book/Page | 6192/1309
7. (THE FOLLOWING AFFECTS THE COMMON AREA)
Agreement, including the terms and conditions thereof:
Between | THE REDEVELOPMENT AGENCY OF SALT LAKE CITY

CHICAGO TITLE INSURANCE COMPANY

ATTACHED TO AND MADE A PART OF POLICY NO.:

CONTINUATION OF SCHEDULE B - PART I

ORDER NO.: 03036268

EXCEPTIONS: (continued)

And | THE MAIN PARKING MALL, a Utah corporation
Dated | MAY 7, 1973
Recorded | OCTOBER 23, 1973
Entry No. | 2577286
Book/Page | 3443/238
Providing | The various owners of certain property and right of way which is subject to an agreement recorded April 25, 1968, in Book 2646, at Page 377, as Entry No. 2240208, and other property owners having an interest in said right of way.

Supplemental Agreement, including the terms and conditions thereof:
Between | THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, 21-25 WEST SECOND SOUTH STREET, INC., a Utah corporation, CONTINENTAL BUILDING COMPANY, a Utah corporation
And | MAIN PARKING MALL, a Utah corporation
Dated | OCTOBER 9, 1973
Recorded | OCTOBER 23, 1973
Entry No. | 2577288
Book/Page | 3443/271

The interest of the MAIN PARKING MALL, a Utah corporation, in and to the above mentioned Agreement was assigned to GEORGE ROMNEY & SONS, CO., a Utah Corporation, JACK PULLMAN and HELEN PULLMAN, Trustees, JACK PULLMAN and HENRY PULLMAN, Trustees, JAMES T. IVERS, J. T. FINLEN, MASONIC FOUNDATION OF UTAH, TRACY COLLINS BANK AND TRUST, Trustee, WALKER BANK AND TRUST COMPANY, Trustee, DORIS J. O'BRIEN, ELIZABETH FAY BALDWIN GRAY ALBRIGHT, ELIZABETH B. GRAY, MARGARET E. O'BRIEN, DEIRDRE GRAY DAVIS, ELEANOR O. DAHNKEN, ALEXANDER C. WALLACE, RUTH M. O'BRIEN, CHARLES A. O'BRIEN, COLLEEN R. O'BRIEN, WILLIAM M. O'BRIEN, HELEN PULLMAN, HENRY PULLMAN, JACK PULLMAN, DAVID KEITH, JR., THE RAYBOULD BUILDING INC., aka CALLISTER INVESTMENT COMPANY, a Utah corporation, I. J. WAGNER, LEONA W. PEARLMAN, ABE WAGNER, SAM WELLER and LILA WELLER, by Assignment, dated November 26, 1975, recorded February 10, 1976, as Entry No. 2784491, in Book 4101, at Page 102 of Official Records.

Reference is hereby made to said above referred documents and the record thereof, for further particulars.

8. The effects of that certain Notice of Existence of Contract, dated October 2, 1990, recorded October 5, 1990, as Entry No. 4974649, in Book 6258, at Page 2320, which reads in part as

CHICAGO TITLE INSURANCE COMPANY

ATTACHED TO AND MADE A PART OF POLICY NO:

CONTINUATION OF SCHEDULE B - PART I

ORDER NO.: 03036268

follows:

THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public corporation on Salt Lake City, Salt Lake County, State of Utah; 50 WEST BROADWAY ASSOC., a Limited Partnership; AMERICAN PLAZA PARKING, INC., a Utah Corporation; AMERICAN SAVINGS, a Federal Savings and Loan Association, through the RESOLUTION TRUST CORPORATION, its Conservator; 47 WEST ASSOCIATION, a Utah Non-Profit Homeowners Association; MUTUAL BENEFIT LIFE HOLDING CORPORATION, a New Jersey Corporation, and RED LION, a California Limited Partnership, have entered into an Agreement which involves rights to use underground parking on the real property.

9. The covenants, conditions, exceptions, terms, liens, restrictions and limitations as contained in the Reciprocal Easement and Maintenance Agreement with Conditions, Covenants, and Restrictions, executed by and between BLOCK 58 ASSOCIATES, a Utah Limited Partnership, A.P. 3 ASSOCIATES, a Utah Limited Partnership, AMERICAN SAVINGS AND LOAN ASSOCIATION, a Utah Corporation, and AMERICAN TOWERS, INC., a Utah Corporation, recorded May 20, 1981, as Entry No. 3566733, in Book 5250, at Page 640, which provide, among other things, that a violation thereof, shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

Said Agreement was amended by that certain Amendment to reciprocal Easement and Maintenance Agreement, dated June 2, 1981, recorded June 5, 1981, as Entry No. 3571928, in Book 5256, at Page 704 of Official Records. Reference is hereby made to the recorded document for further particulars.

Said Agreement was amended by that certain Amendment to Reciprocal Easement and Maintenance Agreement, dated February 12, 1988, recorded February 19, 1988, as Entry No. 4587998, in Book 6005, at Page 591 of Official Records.

10. Memorandum of Agreement Affecting Real Property, including the terms and conditions thereof:

Between		AMERICAN TOWERS OWNERS ASSOCIATION
And		PACIFICORP
Dated		JUNE 8, 1998
Recorded		JUNE 4, 1999
Entry No.		7375457
Book/Page		8283/6070

CHICAGO TITLE INSURANCE COMPANY

ATTACHED TO AND MADE A PART OF POLICY NO.:

CONTINUATION OF SCHEDULE B - PART I

ORDER NO.: 03036268

11. Bulk Rate Agreement, including the terms and conditions thereof:
Between | AMERICAN TOWERS HOA
And | TCI CABLEVISION OF UTAH, INC.
Dated | AUGUST 30, 1999
Recorded | OCTOBER 1, 1999
Entry No. | 7480192
Book/Page | 8313/4493
Providing | basic/expanded basic cable television signals.

12. Covenants, conditions and restrictions and the obligations thereof:
Recorded | JULY 30, 1982
Entry No. | 3697665
Book/Page | 5400/292

Except to the extent that they are exempt therefrom all declarations, covenants or restrictions based upon race, color, religion, sex, handicap, familial status or national origin are deleted herefrom pursuant to Federal Law Title 42, Section 3607 or other applicable federal or state law.

Certificate of Amendment to Bylaws:
Recorded | DECEMBER 18, 1989
Entry No. | 4861015
Book/Page | 6184/1804

Amended Covenants:
Dated | DECEMBER 24, 1991
Recorded | JANUARY 17, 1992
Entry No. | 5184826
Book/Page | 6399/1594

Certificate of Amendment to Bylaws:
Recorded | SEPTEMBER 26, 1995
Entry No. | 6174618
Book/Page | 7235/0008

Contains provision for continuing assessment liens, compliance should be checked by contacting the homeowners association.

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT: (continued)

of said land for the extraction or development of the minerals excepted from the description of the land or shown as a reservation in SCHEDULE B.

4. Any final court order or judgment requiring removal from any land adjoining said land or any encroachment shown in SCHEDULE B.

Wherever in this endorsement any or all of the words "covenants, conditions, or restrictions" appear they shall not be deemed to refer to or include the terms, covenants and conditions contained in any leases referred to in SCHEDULE A.

The total liability of the Company under said policy and any endorsements therein shall not exceed in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

Dated: August 04, 2003

METRO NATIONAL TITLE, ISSUING AGENT

By: *[Signature]*

Owner:
Address: 48 WEST 300 SOUTH #2404N
Located: SALT LAKE CITY, UT 84101

Policy issuing agent:
METRO NATIONAL TITLE
111 EAST BROADWAY, SUITE 111
SALT LAKE CITY, UT 84111 (801) 363-6633

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to Policy No.:

Order No.: 03036268

CHARGE: \$10.00

(CLTA 116.2)

The Company assures the Insured that at the date of this policy, the dimensions of the exterior boundary of AMERICAN TOWERS CONDOMINIUM of Paragraph 5, referred to in Schedule A of this Policy, which is also the exterior boundary of the Project are correctly shown on that Map recorded in Book 5400, Page 292 of Survey Maps in the office of the County Recorder of Salt Lake County.

The Company further assures the Insured that the estate in said land referred to in Paragraph 5 of Schedule A, includes a Unit within the Project boundaries and is designated as Unit No. R-2404-N as shown on said Map in the office of the County Recorder of said County, and known as:

48 WEST 300 SOUTH #2404N
SALT LAKE CITY, UTAH 84101

The Company hereby insures the Insured against loss which said Insured shall sustain in the event that the assurance herein shall prove to be incorrect.

The total liability of the Company under said policy and any endorsements therein shall not exceed in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

Dated: August 04, 2003

METRO NATIONAL TITLE, ISSUING AGENT

Address: 48 WEST 300 SOUTH #2404N

By: *Colleen Beougher*

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT: (continued)

Located:
SALT LAKE CITY, UT 84101

Policy issuing agent:

METRO NATIONAL TITLE
111 EAST BROADWAY, SUITE 111
Salt Lake City, UT 84111 (801)363-6633

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT

Attached to Policy No.:

Order No.: 03036268
ALTA 8.1

CHARGE: \$15.00

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the Insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of impairing constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or:
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection lien provided for by the following state statutes:

NONE

The total liability of the Company under said policy and any endorsements therein shall not exceed in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

Dated: August 04, 2003

METRO NATIONAL TITLE, ISSUING AGENT

By: *Carolyn S. [Signature]*

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT: (continued)

Owner:

Address: 48 WEST 300 SOUTH #2404N

Located: SALT LAKE CITY, UT 84101

Policy issuing agent:

METRO NATIONAL TITLE

111 EAST BROADWAY, SUITE 111

SALT LAKE CITY, UT 84111 (801) 363-6633

(c) Amount of Insurance. The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

- (i) the Amount of Insurance stated in Schedule A;
- (ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or
- (iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest or the lien of the insured mortgage, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest or the lien of the insured mortgage, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest or the lien of the insured mortgage, as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to

provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) to pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage, together with any collateral security, to the Company upon payment therefor.

Upon the exercise by the Company of either of the options provided for in paragraphs (a)(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2 (c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

CHICAGO TITLE INSURANCE COMPANY

ENDORSEMENT Attached to Policy No.

Order No.: 03036268
CLTA 100

CHARGE: \$20.00

The Company hereby insures against loss which said insured shall sustain by reason of any of the following matters:

1. Any incorrectness in the assurance which the Company hereby gives:
 - (a) That there are no covenants, conditions, or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
 - (b) That there are no present violations on said land of any enforceable covenants, conditions, or restrictions.
 - (c) That, except as shown in SCHEDULE B, that are no encroachments of buildings, structures, or improvements located on said land onto adjoining lands, nor any encroachments onto said land of buildings, structures, or improvements located on adjoining lands.
2. (a) Any future violations on said land of any covenants, conditions, or restrictions occurring prior to acquisition of title to said estate or interest by the Insured, provided such violations result in loss or impairment of the lien of the mortgage referred to in SCHEDULE A, or result in a loss or impairment of the title to said estate or interest if the Insured shall acquire such title in satisfaction of the indebtedness secured by such mortgage;
 - (b) Unmarketability of the title to said estate or interest by reason of any violations on said land, occurring prior to the acquisition of title to said estate or interest by the Insured, of any covenants, conditions, or restrictions.
3. Damage to existing improvements, including lawns, shrubbery or trees
 - (a) which are located or encroach upon that portion of the land subject to any easement shown in SCHEDULE B, which damage results from the exercise of the right to use or maintain such easement for the purposes for which the same was granted or reserved;
 - (b) resulting from the exercise of any right to use the surface

TRANSMISSION VERIFICATION REPORT

TIME : 08/08/2003 11:58
 NAME : NU AGENCY N TRUST
 FAX : 7753225623
 TEL : 7753220626

DATE, TIME	08/08 11:57
FAX NO./NAME	18015213301
DURATION	00:00:20
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

Michael D. Leavitt
 Governor

Kathleen Clarke
 Executive Director

Lowell P. Braxton
 Division Director

1504 West North Temple, Suite 1210
 PO Box 145801
 Salt Lake City, Utah 84114-8001
 801-538-5340
 801-858-8940 (Fax)
 801-538-7223 (TDD)

August 5, 2003

Lynn Drummond
 Bank One
 50 West Broadway, Suite 500
 Salt Lake City, Utah 84101

Re: Reduction in Amount of Letter of Credit (_____ Hidden Splendor Resources, Inc.,
Horizon Mine, C/007/020, Outgoing File

Dear Ms. Drummond:

Please amend the current Irrevocable Letter of Credit _____ and reduce the amount from \$342,000 to \$57,500. If you have any questions, please feel free to call Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Lowell P. Braxton
 Director

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/29/05

PRODUCER

Acordie of WV-Beckley
41 Eagles Road
Beckley WV 25801
(304) 252-6375

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY
A Lexington Insurance Company
- COMPANY
B National Union Fire Ins Co
- COMPANY
C
- COMPANY
D

INSURED

Hidden Splendor Resources, Inc/
Mid State Services, Inc.
Horizon Mine
27 W 200 South, Suite 400
Salt Lake City, UT 84104

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		9/30/05	9/30/06	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> Includes Blasting				FIRE DAMAGE (Any one fire) \$
					MED EXP (Any one person) \$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		9/30/05	9/30/08	WC STATUTORY LIMITS OTH-ER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
					EL DISEASE-EA EMPLOYEE \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS Utah Division of Oil, Gas and Mining As Additional Insured
General Liability Coverage With Respects to Horizon Mine Permit #ACT/007/020

CERTIFICATE HOLDER

Utah Division of Oil, Gas and Mining
1594 W North Temple
Suite 1210
Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BY FIRST CLASS REGISTERED MAIL WITH RETURN RECEIPT REQUESTED.

AUTHORIZED REPRESENTATIVE

Adam Rehrig

PUBLIC NOTICE – APPLICATION FOR PERMIT RENEWAL
HIDDEN SPLENDOR RESOURCES, INC. – HORIZON MINE
C/007/020

Notice is hereby given that Hidden Splendor Resources, Inc. has submitted an “Application for Permit Renewal” for Permit C/007/020 for the Horizon Mine to the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining.

The address of the applicant is: Hidden Splendor Resources, Inc., 3266 South 125 West, Price, Utah 84501.

Hidden Splendor Resources, Inc., operates the Horizon Mine located approximately nine (9) miles west of US Highway 6, on the Consumers Road within the south half of Section 17, Township 13 South, Range 8 East, SLBM. The currently approved Horizon Mine mining permit number is C/007/020. The permit area is located on the Standardville and Jump Creek, USGS 7.5 minute quadrangle maps. The description of the permit area is as follows:

Township 13 South, Range 8 East, SLBM

- Section 6: NW1/4SE1/4, SE1/4SW1/4, SW1/4SE1/4, SE1/4SE1/4.
Section 7: NW1/4, NE1/4, SE1/4, E1/2SW1/4, NW1/4SW1/4.
Section 8: S1/2NW1/4, NW1/4NW1/4, SW1/4NE1/4, SW1/4, W1/2SE1/4.
Section 17: NW1/4, W1/2NE1/4, NE1/4SW1/4, N1/2SE1/4SW1/4,
N1/2NW1/4SW1/4, NW1/4SE1/4, N1/2SW1/4SE1/4.
Section 18: NE1/4NE1/4.

Containing 1,577 acres more or less consisting of 305 acres more or less of Fee coal (Hidden Splendor Resources, Inc.) and 1,272 acres more or less of Federal leased coal.

A copy of the permit renewal application will be available for inspection at the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah, 84114-5801 and also at the Carbon County Courthouse, 120 East Main Street, Price, Utah, 84501.

Written comments or request for an informal conference regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate: xxxx, 2006, xxxx, 2006, xxxx, 2006 & xxxx, 2006.