0014

Outgoing
C0070020

R

From: Karl Houskeeper
To: kit@emerytelcom.net
CC: Angela Nance; Daron Haddock; Suzanne Steab
Date: 8/4/2009 1:56 PM
Subject: July 2009 Inspection Report
Attachments: Horizon July 2009.pdf

Kit,

Attached is the July 2009 inspection report for Horizon.

Thanks,
Karl

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:		
Company	Kit Pappas	Manager of Environmental/Engineering
OGM	Karl Houskeeper	Environmental Scientist III

Inspection Report

Permit Number:	C0070020
Inspection Type:	COMPLETE
Inspection Date:	Thursday, July 30, 2009
Start Date/Time:	7/30/2009 9:30:00 AM
End Date/Time:	7/30/2009 12:30:00 PM
Last Inspection:	Thursday, June 25, 2009

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy/ Overcast, Temp. 79 Deg. F.

InspectionID Report Number: 2082

Accepted by: jhelfric
8/4/2009

Permitee: **HIDDEN SPLENDOR RESOURCES INC**
Operator: **HIDDEN SPLENDOR RESOURCES INC**
Site: **HORIZON MINE**
Address: **3266 S 125 W, PRICE UT 84501**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

1,577.00	Total Permitted
9.50	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

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

Inspector's Signature: Karl R. Houskeeper **Date** Thursday, July 30, 2009

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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Permit Number: C0070020
Inspection Type: COMPLETE
Inspection Date: Thursday, July 30, 2009

Inspection Continuation Sheet

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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☑	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☑	☐	☐
8. Noncoal Waste	☑	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☑	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☐	☐
12. Backfilling And Grading	☑	☐	☐	☐
13. Revegetation	☑	☐	☐	☐
14. Subsidence Control	☑	☐	☐	☐
15. Cessation of Operations	☑	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☐	☐
20. Air Quality Permit	☑	☐	☑	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☑	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit C/007/020 was issued effective 10/11/2006 and expires 10/11/2011.

-Certificate of Insurance policy number 5591885, issued 10/03/2008 and terminates 10/03/2009.
-UPDES permit UTG040000 (General) UTG040019 (Site Specific) effective 05/01/2008 and expires midnight 04/30/2013.
-Air Quality permit DAQE-700-70, issued November 7, 2000.
-SPCC Plan dated June 2006. The Plan is P.E. certified, stamped, signed and dated 6/20/06 by a Utah P.E.

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, address, phone number, permit number, and MSHA number.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Second quarter 2009 sediment pond inspection was done on 06/30/2009. Sediiment level is above the 60% sediment elevation. Pond still needs to be cleaned.

4.e Hydrologic Balance: Effluent Limitations

Reviewed the discharge monitoring reports for June 2009. Out fall oo1a did not discharge. Outfall 002A discharged but did not exceed any parameters.

20. Air Quality Permit

The Air Quality Permit Approval Order DAQE-700-00 was issued on November 7, 2000. Recent documentation shows the approval order number as DAQP-002-06.

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 expired on January 20, 2007. The appraisal was updated as of 12/20/06 for the real estate (collateral) and the appraisal is now $625,000 and the collateral is adequate. The updated reclamation cost estimate is $445,000 in 2011 dollars.