

0020



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070020
#3350
R

December 17, 2009

Kit Pappas, Manager of Environmental/Engineering Services
Hidden Splendor Resources
57 West 200 South, Suite 400
Salt Lake City, Utah 84101

Subject: 2008 Annual Report Review, Horizon Mine, C/007/0020, Task ID # 3350
Outgoing File

Dear Mr. Pappas:

The Division staff has completed the 2008 Annual Report Review. Enclosed is a copy of the review for Horizon Mine, C/007/0020 completed on December 17, 2009.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

sqz
Enclosure
O:\007020.HZN\FINAL\reviewletter.doc



This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permitte Name	<u>Hidden Splendor Resources Inc.</u>
Mine Name	<u>Horizon Mine</u>
Operator Name (If other then permittee)	<u>American West Resources, Inc.</u>
Permit Expiration Date	<u>October 11, 2011</u>
Permit Number	<u>C0070020</u>
Authorized Representative Title	<u>Kit Pappas-Manager of Environmental and Engineering</u>
Phone Number	<u>Office 435-636-0820</u>
Fax Number	<u>435-636-0817</u>
E-mail Address	<u>kit@emerytelcom.net</u>
Mailing Address	<u>3266 South 125 West Price, Utah 84501</u>
Designated Representative	<u>Kit Pappas</u>
Resident Agent	<u>Same as above</u>
Resident Agent Mailing Address	<u>Same as above</u>
Number of Binders Submitted	<u>2</u>

Operator, please update any incorrect information.

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-02074	Horizon No. 1 Mine	N/A
	42-02075	Horizon No. 2 Mine (not started)	N/A
MSHA Impoundment(s)			
NPDES/UPDES Permit(s)	UTG040000-001	Sediment Pond 001	4/30/2013
	UTG040000-002	Mine Discharge (pipe)	4/30/2013
PSD Permit(s) (Air)	DAQE-700-0	Modification of Approval Order BAQE-700-0	N/A
Other			
UDOGM	X/007/0044	Columbia Well Exploration Permit	N/A

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: First quarter 2008 (2/13/2008), second quarter 2008 (6/30/2008), third quarter and annual 2008 (9/29/2008), and fourth quarter 2008 (11/18/2008). All reports submitted with annual 2008 report.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300

Title: CULTURAL RESOURCES

Objective: If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required.

Frequency: The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Status: Ongoing.

Reports: Annual.

Citation: Permit condition Sec. 16.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: NA

Title: MACROINVERTEBRATE SURVEY

Objective: Macroinvertebrate surveys of Gordon Creek .2 miles above the confluence of Jewkes Creek and the North fork of Gordon Creek .1 of a mile below the confluence of those streams to monitor potential impacts from mining activities.

Frequency: Every other year.

Status: Ongoing

Reports: Annual.

Citation:: Volume 3, chapter 10 section 10.2.3, page 10-4, paragraph 5.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes No FUTURE REVIEW NEEDED

Inspector Comments:

Report was reviewed by Division Biologist Ingrid Wieser. Macroinvertebrate studies on Gordon Creek were conducted by Richard Baumann, Aquatic Ecology Consultant, on October 21, 2008. The study included two stations .5 mile apart along the creek; an upper station above the mine and a lower station below the mine. Organisms identified during the study include: three mayfly species, Four stonefly species, and three caddisfly species. Each station was given a Biological Condition Index (BCI) which took into consideration total species present and tolerance quotients. The score at the bottom station was slightly higher than the top station with "good" scores of 89 and 80 respectively. It was determined that the macroinvertebrate fauna has not changed significantly since 2004. The only major change noted was the presence of the isopod genus Asellus. This species is very pollution tolerant, which could mean that water quality is worsening at station two. Beavers could be attributed to any water quality changes. This commitment has been fulfilled for this year, and another survey must be conducted in 2010 .

Title: RAPTOR SURVEY

Objective: An active raptor nest will be verified prior to full pillar extraction being completed within 500 feet of the nest. If the nest is still active full pillar mining will leave a 200-foot barrier around the nest location. If the nest is inactive, a barrier of 100 feet will be left around the nest location. Mitigation of nests either active or inactive lost do to impacts from mining will be replaced under the guidelines and assistance from DWR.

Frequency: Annually.

Status: Ongoing for the life of the mine.

Reports: Annual Report.

Citation: Volume 3, chapter 10 section 10.5.1.2, pages 10-39 and 40, paragraphs 9 and 1.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No information submitted.

Title: STREAM BUFFER ZONE PROTECTION

Objective: HSR commits to develop a protection and enhancement plan with DWR and DOGM prior to any secondary or retreat mining under Beaver Creek

Frequency: When second mining under streams occurs.

Status: Check to see if plan has been developed.

Reports: Inspector should check to see if second mining has occurred under streams, annually.

Citation: status Volume 3, chapter 10 section 10.7, page 10-40, paragraph 5.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: No information submitted.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No information submitted.

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

Title: SUBSIDENCE CONTROL AND MONITORING

Objective: Pedestrian Survey to be conducted no sooner that 6 months but no later than 12 months after an area has been subsided.

Frequency: Annually.

Status: One going.

Reports: Annual Report.

Citation: 3.4.8.5

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: Subsidence information for 2007 and 2008 was submitted in the 2008 annual report along with a 5 year mine plan map that shows the location of the subsidence points. The subsidence report in 2008 does show in general a decrease in elevation from the elevations in the 2007 data. No problems noted in association with subsidence.

Title: COLLECTING AND REPORTING OF BASELINE DATA

Objective: Compare Baseline Data Parameters.

Frequency: Every 5 years during low flow season of the year.

Status: Ongoing until Division releases from commitment.

Reports: Summary in Annual Report during monitoring year.

Citation: Chapter 7, page 7-34.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No information submitted.

Geology R645-301-600

Hydrology R645-301-700

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2008, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: The 2008 annual report contained information on underground discharge pumping data and big game road kill fatality report. This information is located in Appendix B.

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included or Included	DOGM File location Vol, Chapter, Page	Comments
	Yes	No			

Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other					
Hidden Splendor Resources & American West Resources Officers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Inspector:

Has the operator complied fully with this section? Yes No

Inspector Comments: Information for Hidden Splendor and American West Resources, Inc. officers and directors was submitted as part of the 2008 annual report.

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2008, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s) Map Title/ Description

Annual subsidence map			
Mine map			
Other maps		Confidential	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Operator Comments:

Inspector: Has the operator complied with this section? Yes No

Inspector Comments: A 5 year mine plan map with the subsidence point locations was submitted as part of the 2008 annual report.

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Additional attachment to this report? Yes No

HORIZON WELL MONITORING

DEQ WATER SAMPLE – UTG040019 – UPDES 002A DISCHARGE 10/8/2008

DEQWATER SAMPLE – UTG040019 – UPDES 002A DISCHARGE 11/6/2008

Multiple horizontal lines for additional information or comments.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No FURTHER REVIEW NEEDED

Inspector Comments: DEQ water analyses, Horizon Well Monitoring Data and a Macoinvertebrate Sampling report were submitted as part of the 2008 annual report and requires further review by the assigned Division Hydrologist and Biologist respectively.

The operator has continued the operational monitoring plan. Information is submitted to the database for 2008. Data is current for all sites.

O:\AnnualReport\2008 Annual Reports\Operator Annual Reports (Initial Outgoing)\Active Mines\Horizon Mine C0070020.doc

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

APPENDIX B

Reporting of Technical Data

Including monitoring data, reports, maps, and other information
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

CONTENTS

APPENDIX C

Legal Financial, Compliance and Related Information

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

CONTENTS

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

CONTENTS