

**Hidden Splendor Resources**  
**Horizon Mine**  
**3266 South 125 West, Price, Utah 84501**  
**Phone: (435) 636-0820 – Fax: (435) 636-0817**

C/007/0020 Incoming  
cc Ingrid  
Kevin  
#3587  
OK

June 24, 2010

Mr. Daron Haddock  
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: Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements, Hidden Splendor Resources Inc., Horizon Mine, C/007/0020

Dear Mr. Haddock:

Hidden Splendor Resources, Inc. is respectfully submitting five (5) copies of a mine plan amendment in response to your letter dated June 1, 2010.

If you have any questions or comments, please feel free to contact me or Mark Reynolds at 435-636-0820.

Sincerely,



Kit Pappas  
Manager of Environmental and Engineering Services

Cc: Karl Housekeeper – DOGM (Price Office)  
File

**RECEIVED**  
**JUL 07 2010**  
**DIV. OF OIL, GAS & MINING**

## APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Hidden Splendor Resources

**Mine:** Horizon Mine

**Permit Number:**

C/007/0020

**Title:** Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements

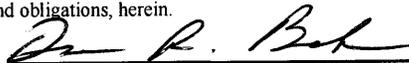
**Description,** Include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first eight questions, this application may require Public Notice publication.

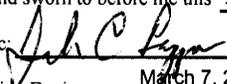
- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?                                     |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?<br><i>Explain:</i> _____                                   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)                                |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided?   |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 24. Does the application include confidential information and is it clearly marked and separated in the plan?                                     |

**Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you.** (These numbers include a copy for the Price Field Office)

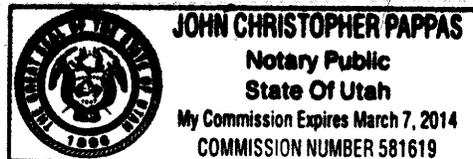
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

<u>Dan R Baker</u>	<u>CEO</u>	<u>06/24/2010</u>	
Print Name	Position	Date	Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 24th day of June, 2010

Notary Public:  \_\_\_\_\_, state of Utah.

My commission Expires: March 7, 2014  
 Commission Number: 581619 } ss:  
 Address: 3266 South 125 West }  
 City: Price State: UT Zip: 84501-4462 }



<b>For Office Use Only:</b>   	<b>Assigned Tracking Number:</b>  	<b>Received by Oil, Gas &amp; Mining</b>  <div style="font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">JUL 07 2010</div> <div style="font-weight: bold; margin: 5px 0;">DIV. OF OIL, GAS &amp; MINING</div>
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Habitat protection measures center on avoiding especially important or sensitive areas, such as riparian zones, and not using persistent pesticides, which would diminish the long-term health of an ecosystem.

Reclamation is particularly important as a means of controlling erosion and restoring disturbed areas to productive wildlife habitat. Recommended procedures in achieving the reclamation goal include (1) planting a diverse mixture of native grasses, forbs, and where appropriate woody species, (2) using seedling stock rather than relying solely on seeds for trees or shrubs, (3) planting vegetation to create an edge effect by clumping selected shrub or tree species, (4) actually transplanting stock or turf from new disturbed sites to reclaimed sites, and (5) leaving islands of natural vegetation in new disturbed sites.

Wildlife management is important for minimizing harmful effect (e.g., fencing animals out of areas containing toxic substances) and preventing damage to newly reclaimed areas (e.g., excluding large herbivores and possibly controlling rodents).

Direct impacts on springs and seeps on or adjacent to the permit area are not expected based on past mining experiences in the area. However, if mining operations negatively impact these features, Horizon plans to provide measures for replacement. See Chapter 7 for a discussion of the permit area hydrology.

#### 10.5.1.1 Mammals

For small mammals, most of which are secretive and have small home ranges, mitigation will be almost totally related to habitat protection and reclamation (minimizing short and long-term habitat loss). For larger species the problem is complicated by their large home ranges, seasonal movements, and sensitivity to disturbance.

Disturbance-related impacts will be mitigated to a significant extent by Horizon Coal Corporation/Hidden Splendor Resources, Inc., policies against harassing or hunting wildlife in the permit area by employees. These policies will continue throughout the operation of the mine. Sensitive aspects of the ecosystem will be avoided during future exploration, operation, and reclamation activities.

#### 10.5.1.2 Birds

Like small mammals, songbirds and other small species are most sensitive to habitat loss, and mitigation will therefore focus on habitat protection and reclamation. In addition, active raptor nests or nest trees will not be disturbed.

Protection plans for raptor nests Due to the fact that the only possible impact to raptor nests is escarpment failure protection plans for raptor nests are only needed in areas where escarpments are located. These plans will be incorporated in the following manner. An active raptor nest will be verified prior to full pillar extraction being completed within 500 feet of an active 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' will be left around the nest location. Mitigation of nests either active or

inactive being lost due to subsidence or other mine related causes will be corrected by the placement of a replacement nest constructed under the guidelines and assistance of the DWR. The replacement nest would be placed at or near the site of the lost nest. Currently there is only one area where escarpments exist inside the permit area. Hidden Splendor Resources has designed their min plan so that there will not be any full pillar extraction within 500 ft of this area so no raptor surveys are currently needed.

#### 10.5.1.3 Reptiles and Amphibians

Besides minimizing habitat loss and restoring native vegetation, the principal mitigation measures for reptiles will be to avoid killing individuals and to not disturb or destroy snake dens, amphibian breeding ponds, and other sensitive use areas.

#### 10.5.2 Aquatic Habitats and Organisms

Habitat loss or deterioration of the North Fork Gordon Creek aquatic ecosystem will be limited by constructing a sediment pond to protect the stream from an increased sediment load from the mine affected area. Additional details of these procedures for protecting stream quality are provided in Chapter 7 of the mine permit application.

#### 10.6 Stream Buffer Zone Determination

Refer to Chapter 7 for details concerning buffer zones, sedimentation, and runoff controls.

#### 10.7 Protection and Enhancement Plan for Subsidence Effects along Beaver Creek

Because the portion of Beaver Creek that extends through the proposed mining area contains possible high value and/or crucial habitat and riparian areas, Hidden Splendor Resources has developed a protection and enhancement plan. This plan is that Hidden Splendor Resources commits to not create any surface disturbance in this area. Because of this commitment the only possible impact is possible loss of water resources due to underground activities which is covered by the water replacement regulations. Additionally in order to provide further protection beyond what the law requires Hidden Splendor Resources has designed their mine layout to only undermine these resources in areas where more than 900 feet of overburden exists. Based on the Mining Reference Handbook<sup>1</sup> and past history, 900 feet of overburden is sufficient to prevent impacts to these resources.

(<sup>1</sup>Lowrie, Raymond L., ed. 2002 "SME Mining Reference Handbook" pp. 256)

and Hidden Splendor Resources, Inc. (HSR) proposes to undermined and possibly subside these areas, a specific protection and enhancement plan will need to be developed.

HSR commits that before any secondary (retreat) mining occurs under Beaver Creek, a protection and enhancement plan will be developed in conjunction with the Division of Wildlife Resources (DWR) and the Division of Oil, Gas & Mining (DOGGM).