

COPY

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

C/007/020 Incoming

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October 27, 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 October 5, 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

File in:

- Confidential
- Shelf
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Date Folder *11/02/10 C/007/0020*

See: *Incoming* For additional information

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Response to Deficiency List

Task ID No. 3587

Beaver Creek Protection and Enhancement Plan and Raptor Survey Requirements

Horizon Mine

C/007/0020

R645-301-525.240, R645-301-525.420: The Permittee must provide and up-to-date mine map.

A map with the requested changes is included and a C1 and C2 form has been sent with it.

R645-301-332: An application to modify the MRP must demonstrate that a protection and enhancement plan for Beaver Creek is not necessary because there will be no adverse impacts to fish and wildlife and related environmental values during coal mining and reclamation operations. If the Permittee chooses to demonstrate this, they must clearly show where second mining has occurred under Beaver Creek and explain what, if any effects it has had on stream flow. This area must also be compared to the proposed area of Beaver Creek to be undermined to show whether or not similar effects can be anticipated.

This was already addressed in the June 2010 submittal. The statement made by the reviewer makes it clear that he did not read the text. Horizon Mine is not claiming that no plan is necessary. They have included a protection plan which is to only 2nd mine under areas of perennial streams that have more than twice the overburden required to prevent impacts. The commitment applies to all areas within our permit rather than a specific area because specific mine layout and design can change often, especially in an area with as many faults as the Horizon Mine. Furthermore there is no need to do a specific analysis for our mine because we already know what the results will do. Our commitment was based on taking an accepted industry standard for determining the amount of overburden needed to not impact the stream. This standard is based on more than 100 years of mining and applies to all areas. We then decided to commit to having more than twice that amount of cover in areas of concern.

We would recommend the reviewer look up our reference, and also familiarize themselves with standard industry practices. In order to help the reviewer understand why he is encountering such resistance from Horizon in doing the additional analysis, which is not required by law or by permit I will use an example to help the reviewer understand how pointless his request is.

In our example a reviewer expresses concern that my house does not have any protection to help it withstand a hurricane. In response to this concern I tell him that my house is protected because I built it in Utah and it is more than 500 miles from the nearest ocean, and furthermore, there has never been a house in Utah that has been hit by a hurricane. The reviewer then asks me to demonstrate this and clearly show other houses in my area have not been impacted by hurricanes, and compare that to my house to show whether or not similar effects can be anticipated. In my mind the most logical response to this request would be to again say my house is in Utah and is more than 500 miles from the nearest ocean.

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 Handbook¹ and past history, 900 feet of overburden is sufficient to prevent impacts to these resources.

(¹ 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).