

WATER QUALITY M E M O R A N D U M

Utah Coal Regulatory Program

August 25, 2010

TO: Internal File

THRU: James D. Smith, Permit Supervisor *DS 31 Aug 2010*

FROM: Kevin Lundmark, Environmental Scientist II *KWL*

RE: 2010 1st Quarter Water Monitoring, Hidden Splendor Resources, Inc., Horizon Mine, C/007/0020 WQ10-1, Task ID #3479

The Horizon Mine is operational and mining coal. The water-monitoring plan is outlined in Chapter 7 - Hydrology of the MRP, which was most recently updated in June 2005. Surface and groundwater monitoring is required for the Horizon Mine under the operation plan, and monitoring procedures and parameters are discussed in MRP Section 7.1.5 (groundwater) and Section 7.2.2.3 (surface water). UPDES permit UTG040019 authorizes discharges from two outfalls and expires on April 30, 2013.

This report was prepared from monitoring data queried from the UDOGM database. The data that support this report were collected and submitted to the database by the Operator. The data were downloaded into file O:\007020.HZN\Water Quality\Spreadsheets\HZN_WQ.xls for this review.

The majority of the monitoring sites were inaccessible during first quarter 2010 due to snow.

1. Were data submitted for all of the MRP required sites?

Springs YES NO

Springs SP-1, SP-2, SP-4, SP-9 (Jewkes Spring), 2-6-W (Homestead Spring) and GV-70 will be monitored once each calendar quarter (when the springs are accessible) during the operational and reclamation phases. Ground water quality parameters to be checked are outlined in Table 7-2 of the MRP.

None of the springs were accessible for monitoring during first quarter 2010 due to snow. The Operator entered "No Access" into the database.

Streams YES NO

Stations SS-3, SS-5, SS-7, SS-8, SS-10 and SS-11 will be monitored once each

quarter (as access conditions permit). Surface water quality parameters are outlined in Table 7-5 of the MRP.

None of the stream sites were accessible for monitoring during first quarter 2010 due to snow. The Operator entered "No Access" into the database.

Wells **YES [X]** **NO []**

Water level data will be collected during the operational and reclamation phases from wells HZ-95-1, HZ-95-1S, HZ-95-2, HZ-95-3 and HZ-01-06-1 once each quarter, when accessible.

None of the wells were accessible for monitoring during first quarter 2010 due to snow. The Operator entered "No Access" into the database.

UPDES **YES [X]** **NO []**

Monthly monitoring is required for the UPDES outfalls associated with the mine discharge (001) and sedimentation pond (002).

UPDES sites were monitored monthly for the quarter and all required data were submitted. No flow was reported from the sedimentation pond. Discharge from the underground mine ranged from 295 to 310 gallons per minute.

2. Were all required parameters reported for each site?

Springs **YES []** **NO []**

Not applicable this quarter

Streams **YES []** **NO []**

Not applicable this quarter

Wells **YES []** **NO []**

Not applicable this quarter

UPDES **YES [X]** **NO []**

3. Were irregularities found in the data?

Springs **YES []** **NO []**

Not applicable this quarter

Streams YES [] NO []

Not applicable this quarter

Wells YES [] NO []

Not applicable this quarter

UPDES YES [] NO [X]

4. On what date does the MRP require a five-year resampling of baseline water data.

Re-sampling due date is third quarter, July-September 2012.

5. Based on your review, what further actions, if any, do you recommend?

On June 29, 2010, Pete Hess (Inspector - Division of Oil, Gas and Mining) visited the Horizon Mine to review the reclamation plans for casing and sealing of wells. The inspector reported that well HZ-95-3 intercepted the coal seam and was reportedly mined through by a previous permittee. Well HZ-95-3 is on a high ridge above Portal Canyon with no surface access. (Inspection Report No. 2413)

The current MRP identifies that monitoring data collected at well HZ-95-3 "...will allow early assessments of mining impacts to be made" (MRP page 7-32). The MRP does not mention that well HZ-95-3 has been mined through. If well HZ-95-3 is no longer operational, then the MRP should be revised to describe the loss of this well, and the Groundwater Monitoring Plan should be updated accordingly. The Operator should either replace the well or demonstrate why monitoring data is no longer necessary to meet the objectives of the groundwater monitoring plan in the MRP.

Does the Mine Operator need to submit more information to fulfill this quarter's monitoring requirements? YES [] NO [X]

**6. Follow-up from last quarter, if necessary.
Did the Mine Operator submit all the missing and/or irregular data (datum)?**

None needed.