



**State of Utah**  
 DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
*Division Director*

**Inspection Report**

Permit Number:	<b>C0070020</b>
Inspection Type:	COMPLETE
Inspection Date:	Thursday, May 31, 2012
Start Date/Time:	5/31/2012 9:30:00 AM
End Date/Time:	5/31/2012 2:00:00 PM
Last Inspection:	Thursday, April 19, 2012

Representatives Present During the Inspection:	
Company	Kit Pappas
OGM	Karl Houskeeper
OGM	Amanda Daniels
OGM	April Abate

Inspector: Karl Houskeeper,  
 Weather: Clear, Temp. 75 Deg. F.  
 InspectionID Report Number: 3118

Accepted by: jhelfric  
 5/31/2012

Permittee: **HIDDEN SPLENDOR RESOURCES**  
 Operator: **HIDDEN SPLENDOR RESOURCES**  
 Site: **HORIZON MINE**  
 Address: **57 WEST 200 SOUTH, SUITE 400, SALT LAKE CITY UT 84101**  
 County: **CARBON**  
 Permit Type: **PERMANENT COAL PROGRAM**  
 Permit Status: **ACTIVE**

Current Acreages		Mineral Ownership	Types of Operations
1,577.00	<b>Total Permitted</b>	<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Underground
9.50	<b>Total Disturbed</b>	<input type="checkbox"/> State	<input type="checkbox"/> Surface
	<b>Phase I</b>	<input type="checkbox"/> County	<input type="checkbox"/> Loadout
	<b>Phase II</b>	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Processing
	<b>Phase III</b>	<input type="checkbox"/> Other	<input type="checkbox"/> Reprocessing

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

*Karl R. Houskeeper*

Inspector's Signature:

Karl Houskeeper,  
 Inspector ID Number: 49

Date: Thursday, May 31, 2012



Note: This report is prepared based on the information provided by the permittee and is not a guarantee of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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

**1. Permits, Change, Transfer, Renewal, Sale**

The current DOGM permit C/007/020 was issued effective 10/11/2011 and expires 10/11/2016.

-Certificate of Insurance policy number MNG880008-01 issued 06/04/2011 and terminates 06/04/2012.

-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 January 2010. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E.

**2. Signs and Markers**

The mine identification sign is located along the side of the county access road prior to entrance into the permit area. The sign contains all of the required information.

**3. Topsoil**

Observed the topsoil piles. All piles are clearly marked with topsoil signs.

**4.a Hydrologic Balance: Diversions**

The main diversion along side of the access road to the bathhouse and portal area is open and functional.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The sediment pond was inspected during the first quarter of 2012 on 2/21/12. A sediment delta is forming on the side of the sediment pond toward the county road where flow has entered the pond.

**4.e Hydrologic Balance: Effluent Limitations**

The April 2012 discharge monitoring reports were observed as part of the complete inspection. Outfall 001 did not discharge. Outfall 002 discharged, but did not exceed any parameters.

**5. Explosives**

The explosive magazines are properly signed and grounded.

**8. Noncoal Waste**

Found one item of noncoal waste is the upper reach of the main diversion.

**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.

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**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.