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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

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Division Director

Outgoing
C0070020
#4059
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June 5, 2012

Kit Pappas, Manager of Environmental/Engineering Services
Hidden Spendor Resources, Inc.
3266 South 125 West
Price, Utah 84501

Subject: 2011 Annual Report Review Completion, Horizon Mine, C/007/0020, Task ID #4059

Dear Mr. Pappas:

The Division staff has completed the review of the 2011 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 4, 2012.

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
Coal Program Manager

DRH/sqs
Enclosure
cc: Price Field Office
O:\007020.HZN\WG4059\ReviewCompletionLetter.doc

Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 30, 2012**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Hidden Splendor Resources, Inc.	Mine Name	Horizon Mine
Permit Number	C/007/0020	Permit expiration Date	October 11, 2016
Operator Name	America West Resources, Inc.	Phone Number	+1 (435) 636-0820
Mailing Address	3266 South 125 West	Email	kit@emerytelcom.net
City	Price		
State	Utah	Zip Code	84501

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Other:		

OPERATOR COMMENTS

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan 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 additional written response is required, it should be filed as an attachment to this report.

Title: SUBSIDENCE CONTROL AND MONITORING

Objective: New or additional survey monuments will be installed above the projected pillar panels underlying Beaver Creek. The monitoring stations are located so at least one is subsided each year that mining occurs and will be installed with steel re-bar/rod with aluminum caps or other permanent metal or steel structures. Additionally, 4 monuments will be placed along Beaver Creek and at Water Monitoring Locations SP-4 and SP-9. (Plate 3-3) Data submitted to the Division on an annual basis will include: yearly raw subsidence data (whether active or inactive), and baseline subsidence data.

Frequency: Annually and for a period of two years following final cessation of mining operations.

Status: Ongoing

Reports: Annual report

Citation: MRP, Volume 1, Chapter 3, Section 3.4.8.5, page 3-29

Operator Comments

Refer to Chapter 3, Section 3.4.8.5, Pages 3-29 & 3-30, Incorporated March 14, 2011 for future subsidence requirements.

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by James Owen. Commitment is for panels overlying Beaver Creek which are expected to be second mined. Annual Report includes a mine map with subsidence points and projected mining. This is a future subsidence related requirement.

Title: SUBSIDENCE CONTROL PEDESTRIAN SURVEYS

Objective: To identify and monitor surface impacts due to mining. A pedestrian survey will be conducted over each panel in conjunction with the annual subsidence surveys. Data submitted to the Division on an annual basis will include photographs and coordinates of any cracks, fractures, slumps or other subsidence related abnormalities that are encountered.

Frequency: annually

Status: Ongoing

Reports: Annual Report

Citation: MRP, Volume 1, Chapter 3, Section 3.4.8.5, page 3-29

Operator Comments

A pedestrian survey conducted in October 2011 above the 3rd West Mains, 1st Right, 1st East and 2 West pillar panels revealed no cracks, fractures, slumping or other abnormalities.

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by James Owen. The pedestrian survey was conducted in conjunction with subsidence surveys. No indications of subsidence were observed, and therefore not photos or descriptions are needed. Updated subsidence data was included with the annual report.

Title: ESTABLISH ACTUAL ANGLE OF DRAW, SURFACE PROFILES

Objective: To determine the actual angle of draw, Hidden Splendor commits to locating a "Draw Line" on the surface over one of the first panels mined and pillared. This "Draw Line" will consist of points every 50 feet and be placed over the panel prior to pillaring, perpendicular to the mining direction and will extend far enough on either side of the panel to include the potential 35 degree angle of draw. After pillaring is complete in the panel, the line will be surveyed a second time to provide before and after profiles to the surface.

Frequency: Once

Status: OVERDUE

Reports: Send in annual report and amend MRP.

Citation: MRP, Volume 1, Chapter 3, Section 3.4.8.5, page 3-29, last paragraph

Operator Comments

Refer to Chapter 3, Section 3.4.8.5, Pages 3-29 & 3-30, Incorporated March 14, 2011 for future subsidence requirements.

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by James Owen. Commitment is for panels which are expected to be second mined. Annual Report includes a mine map with subsidence points and projected mining. This is a future subsidence related requirement based on panels being fully extracted.

Title: SEALING OF WELLS

Objective: Permanent closure of wells using measure required by DOGM to prevent access and prevent contamination of groundwater.

Frequency: When no longer needed.

Status: Ongoing

Reports: Report status when mining is terminated or wells are no longer needed. Update MRP as appropriate.

Citation: MRP, Volume 1, Chapter 6, page 6-10

Operator Comments

Refer to Chapter 7, Pages 7-31 & 7-32 and August 15, 2011 email from April Abate.

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by Amanda Daniels. Well HZ-95-3 has been approved to be maintained for ventilation purposes. It will be abandoned in accordance with R645-301-731.215-765 during final reclamation. MRP pages 7-31 & 7-32 were updated accordingly.

Title: ANNUAL SUMMARY OF WATER MONITORING DATA

Objective: Annual summary of water monitoring data collected by permittee including monitoring data for streams, springs, wells and mine inflows.

Frequency: Annually

Status: OVERDUE. An annual summary was not provided in the 2010 annual report. Also, the operator did not submit required mine inflow data in 2010.

Reports: Annual summary in Annual report, and quarterly data submitted to the water quality Database.

Citation: MRP, Volume 2, Chapter 7, page 7-30, 7-31, 7-34 and 7-37

Operator Comments

Refer to Horizon Mine Discharge for 2011

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by Amanda Daniels. Monitoring data for streams, springs, wells were reported quarterly to the Department in a timely manner. An annual report of mine water flow was reported for 2011 with an average flow of 190 gpm.

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

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 mile below the confluence of those streams to monitor potential impacts from mining activities.

Frequency: every other year

Status: Next survey to be conducted in 2012. (Last survey conducted fall 2010).

Reports: Include in annual report.

Citation: MRP, Volume 3, Chapter 10, Section 10.2.3, Page 10-4, paragraph 5.

Title: RAPTOR SURVEY

Objective: Survey raptor nests prior to full pillar extraction within 500 feet of a nest in any area that could be subsided (cliff escarpments). The mine plan currently avoids cliff escarpments by 500 feet. If the mine plan changes, active nests must have a 200 foot buffer and a 100 foot buffer if inactive. Mitigation of nests either active or inactive that are lost due to impacts will be replaced with assistance from DWR.

Frequency: Annual survey if mine plan changes to area where raptor nests could be impacted.

Status: Ongoing

Reports: Annual report

Citation: MRP, Volume 3, Chapter 10, Section 10.5.1.1, pages 10-39 and -40

Title: COLLECTING AND REPORTING OF BASELINE DATA

Objective: To compare baseline data parameters every 5 years during low flow season.

Frequency: Every 5 years during low flow. Next baseline sampling due July-September 2012.

Status: Ongoing

Reports: Summary in Annual report

Citation: MRP, Volume 2, page 7-34

Title: RIPARIAN VEGETATION

Objective: To provide a reclamation channel design, (April 2004), which will allow a reasonable likelihood of reestablishing the riparian vegetation along Jewkes Creek which existed prior to the construction of the mine.

Frequency: Once prior to mine reclamation in consultation with the Division.

Status: Prior to reclamation.

Reports: Submit amendment of MRP to Division for final approval.

Citation: MRP, Volume 3, Chapter 9, Section 9.8, page 9-9, paragraph 3.

OPERATOR COMMENTS (OPTIONAL)

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REVIEWER COMMENTS

[Empty rectangular box]

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input checked="" type="checkbox"/>	<input 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"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements