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C/007/020 Incoming  
cc: Karl  
April

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# Office of Surface Mining - Denver Field Division

## Inspection Report and Enforcement Action Distribution

Distribution For:  INSPECTION REPORT

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**DIV. OF OIL, GAS & MINING**

TDN # \_\_\_\_\_

NOV # \_\_\_\_\_

Modif.  Term.  Vac.

CO # \_\_\_\_\_

Modif.  Term.  Vac.

Date of Distribution: \_\_\_\_\_ By: \_\_\_\_\_

Mine Name: Horizon Mine

Inspection Date: 12.11.2012

Inspector: Christine Belka

OSM File

State UT

Company (NOV, CO, TDN, MIER, Narrative)

BLM  UT  CO  AK  
(NOV, CO, TDN, MIER, Narrative)

USFS  UT  CO  AK  
(NOV, CO, TDN, MIER, Narrative)

Inspector Belka

Other \_\_\_\_\_

*Hidden Splendor Resources, Inc.  
Attn: Kit Pappas  
3266 S 125 W  
Price, UT 84501*



U.S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation

Permittee/ Person	HIDDEN SPLENDOR RESOURCES, INC.	Permit Number	UT-007-020	Field Visit Date	12/11/2012	State Program Continuation Page
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## 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

<p><b>A. Administrative</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Mining within Valid Permit</li> <li>2. <u>1</u> Mining within Bonded Area</li> <li>3. <u>    </u> Terms &amp; Conditions of Permit</li> <li>4. <u>    </u> Liability Insurance</li> <li>5. <u>    </u> Ownership and Control</li> <li>6. <u>    </u> Temporary Cessation</li> <li>7. <u>    </u> AML Rec. Fees - Non-Respondent</li> <li>8. <u>    </u> AML Rec. Fees - Failure to Pay</li> </ol> <p><b>B. Hydrologic Balance</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Drainage Control</li> <li>2. <u>    </u> Inspections &amp; Certifications</li> <li>3. <u>1</u> Siltation Structures</li> <li>4. <u>1</u> Discharge Structures</li> <li>5. <u>1</u> Diversions</li> <li>6. <u>    </u> Effluent Limits</li> <li>7. <u>    </u> Ground Water Monitoring</li> <li>8. <u>    </u> Surface Water Monitoring</li> <li>9. <u>    </u> Drainage - Acid-Toxic Materials</li> <li>10. <u>1</u> Impoundments</li> <li>11. <u>    </u> Stream Buffer Zones</li> </ol> <p><b>C. Topsoil &amp; Subsoil</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Removal</li> <li>2. <u>    </u> Substitute Materials</li> <li>3. <u>1</u> Storage and Protection</li> <li>4. <u>    </u> Redistribution</li> </ol>	<p><b>D. Backfilling &amp; Grading</b></p> <ol style="list-style-type: none"> <li>1. <u>    </u> Exposed Openings</li> <li>2. <u>    </u> Contemporaneous Reclamation</li> <li>3. <u>    </u> Approximate Original Contour</li> <li>4. <u>    </u> Highwall Elimination</li> <li>5. <u>    </u> Steep Slopes (includes downslope)</li> <li>6. <u>    </u> Handling of Acid and Toxic Materials</li> <li>7. <u>    </u> Stabilization (rills and gullies)</li> </ol> <p><b>E. Excess Spoil Disposal</b></p> <ol style="list-style-type: none"> <li>1. <u>    </u> Placement</li> <li>2. <u>    </u> Drainage Control</li> <li>3. <u>    </u> Surface Stabilization</li> <li>4. <u>    </u> Inspections &amp; Certifications</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b></p> <ol style="list-style-type: none"> <li>1. <u>    </u> Drainage Control</li> <li>2. <u>    </u> Surface Stabilization</li> <li>3. <u>    </u> Placement</li> <li>4. <u>    </u> Inspections &amp; Certifications</li> <li>5. <u>    </u> Impounding Structures</li> </ol> <p><b>G. Use of Explosives</b></p> <ol style="list-style-type: none"> <li>1. <u>    </u> Blaster Certification</li> <li>2. <u>    </u> Distance Prohibitions</li> <li>3. <u>    </u> Blast Survey/Schedule</li> <li>4. <u>    </u> Warnings &amp; Records</li> <li>5. <u>    </u> Control of Adverse Effects</li> </ol>	<p><b>H. <u>    </u> Subsidence Control Plan</b></p> <p><b>I. Roads</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Road Construction</li> <li>2. <u>    </u> Certification</li> <li>3. <u>1</u> Drainage</li> <li>4. <u>1</u> Surfacing and Maintenance</li> <li>5. <u>    </u> Reclamation</li> </ol> <p><b>J. Signs &amp; Markers</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Signs</li> <li>2. <u>1</u> Markers</li> </ol> <p><b>K. <u>    </u> Distance Prohibitions</b></p> <p><b>L. Revegetation</b></p> <ol style="list-style-type: none"> <li>1. <u>    </u> Vegetative Cover</li> <li>2. <u>    </u> Timing</li> </ol> <p><b>M. <u>    </u> Postmining Land Use</b></p> <p><b>N. Other</b></p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p>
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### Performance Standard Categories 30 CFR Counterparts

<p><b>A. Administrative</b> .....  1. Valid Permit ..... 773.11  2. Mining within Bonded Area ..... 773.11  3. Terms &amp; Conditions of Permit ..... 773.17  4. Liability Insurance ..... 800.60  5. Ownership and Control ..... 778.13  6. Temporary Cessation ..... §42.11(e) &amp; §16/§17.131  7. AML Rec. Fees - Non-Respondent ..... §70.15(b)  8. AML Rec. Fees - Failure to Pay ..... §70.15(a)</p> <p><b>B. Hydrologic Balance</b> ..... (§16/§17.41-57)  1. Drainage Control ..... 45  2. Inspections &amp; Certifications ..... 49(a)(10)  3. Siltation Structures ..... 46  4. Discharge Structures ..... 47  5. Diversions ..... 43  6. Effluent Limits ..... 42  7. Ground Water Monitoring ..... 41(c)  8. Surface Water Monitoring ..... 41(e)  9. Drainage - Acid - Toxic Materials ..... 41(f)  10. Impoundments ..... 49  11. Stream Buffer Zones ..... 57</p> <p><b>C. Topsoil &amp; Subsoil</b> ..... (§16/§17.22)  1. Removal ..... 22(a)  2. Substitute Materials ..... 22(c)  3. Storage and Protection ..... 22(c)  4. Redistribution ..... 22(d)</p> <p><b>D. Backfilling &amp; Grading</b> ..... §16/§17.95-107  1. Exposed Openings ..... §16/§17.13, 14, 15, &amp; §23.11 &amp; 21  2. Contemporaneous Reclamation ..... 100  3. Approximate Original Contour ..... 102(a)(1)  4. Highwall Elimination ..... 102(a)(2)  5. Steep Slopes (includes downslope) ..... 107  6. Handling of Acid &amp; Toxic Materials ..... 102(c)  7. Stabilization (rills and gullies) ..... 95(b)</p>	<p><b>E. Excess Spoil Disposal</b> ..... (§16/§17.71-74)  1. Placement ..... 71(e)  2. Drainage Control ..... 71(f)  3. Surface Stabilization ..... 71(g)  4. Inspections &amp; Certifications ..... 71(h)</p> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b> ..... §16/§17.81-84  1. Drainage Control ..... 83(a)  2. Surface Stabilization ..... 83(b)  3. Placement ..... 83(c)  4. Inspections and Certifications ..... 83(d)  5. Impounding Structures ..... 84</p> <p><b>G. Use of Explosives</b> ..... (§16/§17.61-68)  1. Blaster Certification ..... 61(c)  2. Distance Prohibitions ..... 61(d)  3. Blast Survey/Schedule ..... 62-64  4. Warnings &amp; Records ..... 66 &amp; 68  5. Control of Adverse Effects ..... 67</p> <p><b>H. Subsidence Control Plan</b> ..... (§17.121-122)</p> <p><b>I. Roads</b> ..... (§16/§17.150-151)  1. Road Construction ..... 150(c)  2. Certification ..... 151(a)  3. Drainage ..... 150(b)-151(d)  4. Surfacing and Maintenance ..... 150(e)-151(d)  5. Reclamation ..... 150(f)</p> <p><b>J. Signs &amp; Markers</b> ..... §16/§17.11  1. Signs ..... 11(a),(b), &amp; (c)  2. Markers ..... 11(a),(b),(d),(e), &amp; (f)</p> <p><b>K. Distance Prohibitions</b> ..... (761.11)</p> <p><b>L. Revegetation</b> ..... (§16/§17.111-116)  1. Vegetative Cover ..... 111 &amp; 116  2. Timing ..... 113</p> <p><b>M. Postmining Land Use</b> ..... (§16/§17.133)</p>
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### Mine Site Inspection

**Mine Name:** Horizon Mine

**Permittee:** Hidden Splendor Resources

**Permit ID #:** C/007/020

**Inspection Date:** Tuesday, December 11, 2012 8:15 – 9:15

**Weather Conditions:** Overcast, cold (10's - 20's), light snow cover

#### **Participants:**

Christine Belka, Office of Surface Mining (OSM) #182

Karl Houskeeper, Division of Oil, Gas and Mining (DOGGM)

Kit Pappas, Hidden Splendor Resources, Inc. (HSR)

### Field Evaluation

Horizon is an underground mine that ceased coal production in July, 2012. Limited mine staff remains on site. Hidden Splendor Resources (HSR) is currently in financial distress but hopes to secure financial backing to reopen the mine soon. To that end, mine ventilation fans and de-watering pumps are still in operation. However, it appears that HSR is currently out of compliance with R645-301-515.320. That regulation requires that in the event a temporary cessation of mining and reclamation operations will extend beyond 30 days, the person who conducts coal mining and reclamation operations will submit to the Division a notice of intention to cease or abandon operations. HSR has not submitted a notification of temporary cessation to the Division. It would be in HSR's best interest to review the requirements of R645-301-515.320 and the definition of "coal mining and reclamation operations" under R645-100-200, and evaluate the current situation within the context of those requirements. If the Division determines that current operations do not constitute coal mining and reclamation operations, continued failure to submit notification of temporary cessation may result in the issuance of a notice of violation.

Topsoil: Salvaged topsoil is stored in permitted piles on the mine site. All observed topsoil stockpiles had straw wattles around the lower perimeters to prevent erosion and loss of the resource from designated storage areas (see photo 9370).

Hydrology / sediment control: All diversions were clear and intact. A small trickle of runoff from the disturbed area was entering the pond, but no water was discharging from the pond. Ice has formed on the pond surface (see photo 9374).

Signs and markers: All topsoil piles are marked. Disturbed area perimeter markers were in place (see photo 9371). The mine identification sign included the name, address, and telephone number of the mine permittee as required under R645-301-521.243.

Roads: All roads traveled were in good repair at the time of inspection.

General compliance: The equipment storage yard is orderly and well maintained. Five gallon buckets are stored on palettes without secondary containment. Fifty five gallon barrels are stored in secondary containment structures (see photo 9373). Mr. Houskeeper and Mr. Pappas believe secondary containment is not necessary for 5 gallon containers. We agreed to double check this requirement. Upon initial investigation, it does appear that recent changes to Spill Prevention Containment and Countermeasure regulations exclude 5 gallon buckets from secondary containment requirements.

I&E Inspection Photos

Permit: UT-007-020      Inspection Date: 12/11/2012

Permittee: HIDDEN SPLENDOR RESOURCES, INC.



Notes:

Empty rectangular box for notes.

Photo ID: 9370

Photographer: SMCBELKA

Date Taken: 12/11/2012

State: UT

County: CARBON

Latitude: 39.68433278

Longitude: -  
111.05028889

Subject: TOPSOIL STOCKPILE MARKER / SEDIMENT CONTROL

Mine Name: HORIZON MINE



Notes:

Empty rectangular box for notes.

Photo ID: 9371

Photographer: SMCBELKA

Date Taken: 12/11/2012

State: UT

County: CARBON

Latitude: 39.68433278

Longitude: -  
111.05028889

Subject: DISTURBED AREA PERIMETER MARKER

Mine Name: HORIZON MINE

I&E Inspection Photos

Permit: UT-007-020

Inspection Date: 12/11/2012

Permittee: HIDDEN SPLENDOR RESOURCES, INC.



Notes:

55-gal barrels stored in secondary containment structures.

Photo ID: 9373

Photographer: SMCBELKA

Date Taken: 12/11/2012

State: UT

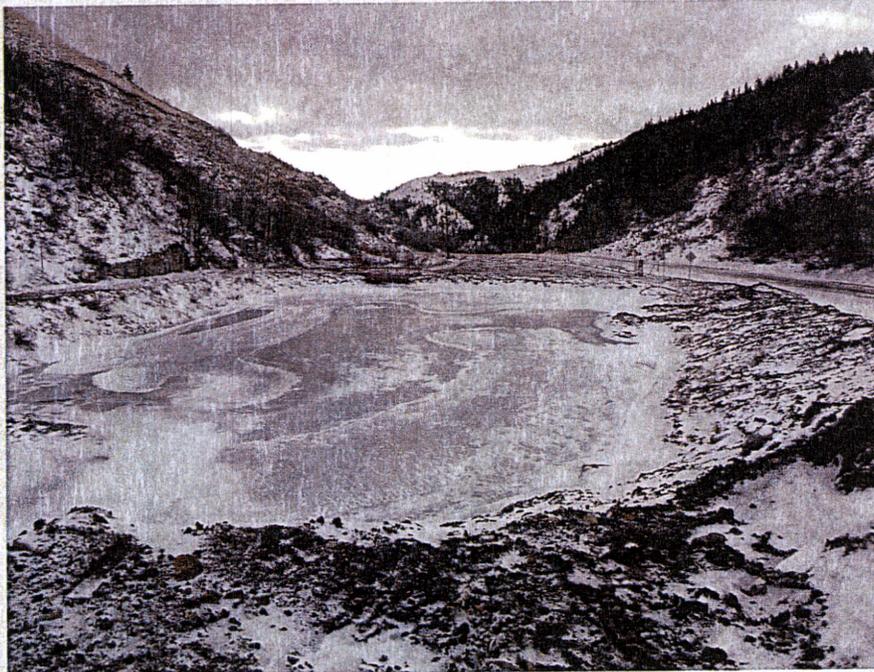
County: CARBON

Latitude: 39.68433278

Longitude: -  
111.05028889

Subject: OIL STORAGE, SECONDARY CONTAINMENT

Mine Name: HORIZON MINE



Notes:

Photo ID: 9374

Photographer: SMCBELKA

Date Taken: 12/11/2012

State: UT

County: CARBON

Latitude: 39.68429444

Longitude: -  
111.05036750

Subject: SEDIMENTATION POND FROZEN, NOT DISCHARGING

Mine Name: HORIZON MINE