



GARY R. HERBERT  
Governor

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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

C0070020  
Outgoing  
#4260  
K

June 26, 2013

America West Resources, Inc.  
Hidden Splendor Resources, Inc.  
Attention: Mr. Alexander H. Walker III  
Attention: Mr. John C. "Kit" Pappas  
3266 South 125 West  
Price, Utah 84501

Subject: 2012 Annual Report Review Completion, Horizon Mine, C/007/0020, Task ID #4260

Dear Mr. Walker and Mr. Pappas:

The Division staff has completed the review of the 2012 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 26, 2013.

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

Attention: Mr. John C. "Kit" Pappas  
1646 Castle Circle  
Price, Utah 84501

DRH/sqs  
Enclosure  
O:\007020.HZN\WG4260\Horizon2012ARcomplet4260.doc



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# 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 the date specified in the cover letter. 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

- Required  
 Not Required

Refuse Piles

- Required  
 Not Required

Impoundments

- Required  
 Not Required

Other:

REPORTING OF OTHER TECHNICAL DATA

## OPERATOR COMMENTS

## REVIEWER COMMENTS

- Met Requirements  Did Not meet Requirements

Quarterly and annual pond inspection reports were submitted as part of the 2012 annual report. First quarter 2012 inspection was done on 2/21/2012, second quarter 2012 inspection was done on 6/27/2012, third quarter 2012 & annual inspection was done on 9/20/2012 and the fourth quarter 2012 inspection was done on 10/22/2012. The annual inspection was P.E. certified, dated, signed and stamped by a Utah P.E. This meets the requirements. (KRH)

Inspection reports indicate that impoundments show no signs of structural weakness, instability, or other hazardous conditions. Structures have been cleaned according to required clean-out levels and are reported to be functioning properly. (JCO)

# 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:** Panels projected to be mined in 2012 according to 2011 annual mine map.

**Reports:** Annual report

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

Operator Comments

NO PILLAR PANELS WERE DEVELOPED AND RETREATED UNDER BEAVER CREEK DURING 2012. REFER TO HORIZON MINE SUBSIDENCE SURVEY CONDUCTED IN AUGUST 2012.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

No pillar panels were developed or retreated under Beaver Creek in 2012. Raw subsidence data (easting, northing, elevation) was provided for each monitoring point. Point elevations were checked against the elevations reported in the 2011 annual report. No significant subsidence was identified during the data review. All changes in elevation are within expected ranges for subsidence or surveying error. (JCO)

## 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 SEPTEMBER 2012 ABOVE THE A WEST MAINS, 1ST LEFT PANEL, A EAST MAINS AND A NORTH MAINS REVEALED NO CRACKS, FRACTURES, SLUMPING OR OTHER ABNORMALITIES.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

A pedestrian subsidence survey is reported to have been conducted in September of 2012. No photos were provided of any cracks, fractures, slumping or other subsidence related abnormalities. (JCO)

**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:** Has not been completed.

**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

NO PILLAR PANELS WERE DEVELOPED AND RETREATED DURING 2012. THE DRAW LINE WILL BE ESTABLISHED ONCE A PILLAR PANEL HAS BEEN DEVELOPED.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

This requirement is based on the observed results of mining and pillaring a panel. No pillar panels were developed or retreated in 2012. (JCO)

**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 E-MAIL FROM APRIL ABATE.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Well HZ-95-3 was identified as a non-operational well in the 2010 annual report, the well was reported as dry since 2002 and the area has been mined out. The mine requested that the well abandonment be postponed so that the well could continue to be used for ventilation. (AD) Under R645-301-765, Permanent Casing and Sealing of Wells, the Permittee requested that well HZ-95-3 be retained for the additional ventilation air volume that the well would supply. The well was allowed to remain open, and the Permittee mined the coal from around it, making it impossible to seal from inside the mine. The Permittee did meet the requirement for other use at the time of the request in 2010. At present, there is no surface access (6/25/2013, PHH) and therefore plugging of this well as part of the final reclamation will require road construction to the site, plus the plugging cost and revegetation costs. Hidden Splendor Resources filed for Chapter 11 bankruptcy during the first quarter of 2013. (PHH, 6/26/2013).

**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:** ongoing

**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 2012".

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Water monitoring data for the year of 2012 was submitted to the DOGM database on time and as required in the MRP. The annual report includes the quarterly water monitoring data. (AD)

**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.

Operator Comments

THE SURVEY WAS CONDUCTED ON OCTOBER 11, 2012 BY JBR ENVIRONMENTAL CONSULTANTS, HOWEVER, THE REPORT WAS NOT COMPLETED AT THE TIME OF THIS SUBMITTAL (REFER TO ATTACHED CORRESPONDENCE AND E-MAILS). THE REPORT WILL BE SUBMITTED TO UDOGM AS SOON AS IT IS RECEIVED BY OPERATOR.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Ingrid Campbell on June 19, 2013: Macroinvertebrate samples were collected by JBR Environmental Consultants in the fall of 2012 upstream and downstream of Horizon Mines UPDES discharge point on North Fork Gordon Creek. The samples were collected on October 11, 2012 and submitted to the BLM/USU bug lab. Some changes to the sampling methodology and the lab changed since the 2008 survey in order to be more consistent with the state of Utah's program. Overall, the US Forest Service Community tolerance quotient indicated poor stream quality at both sites (above and below the discharge point). Several indices show that the quality of habitat at the downstream site is lower than the upstream site. Continued monitoring with consistent methodology and labs should be used in the future for a better understanding of the impact of the discharge on water quality and habitat.

**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.

**Status:** Next baseline sampling due July-September 2012.

**Reports:** Summary in Annual report

**Citation:** MRP, Volume 2, page 7-34

Operator Comments

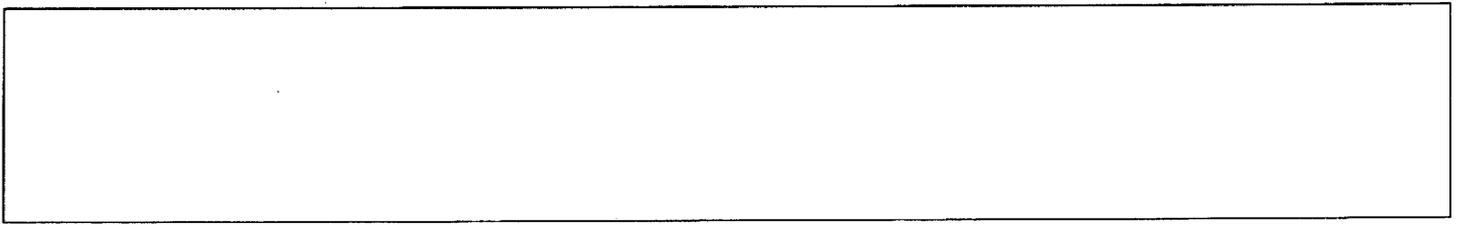
BASELINE SAMPLING WAS CONDUCTED ON SEPTEMBER 28, 2012. REFER TO ATTACHED ANALYSES REPORTS.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Lab reports were submitted as required. Baseline data was submitted to the DOGM database with the 3rd quarter water monitoring data. (AD)







## 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:

HORIZON WELL MONITORING DATA  
QUARTERLY AND ANNUAL POND INSPECTIONS FOR POND 001

### Reviewer Comments

Quarterly and annual pond inspection reports were submitted as part of the 2012 annual report. First quarter 2012 inspection was done on 2/21/2012, second quarter 2012 inspection was done on 6/27/2012, third quarter 2012 & annual inspection was done on 9/20/2012 and the fourth quarter 2012 inspection was done on 10/22/2012. The annual inspection was P.E. certified, dated, signed and stamped by a Utah P.E. This meets the requirements. (KRH)

Inspection reports provided indicate that impoundments show no signs of structural instability or other hazardous conditions. Structures have been cleaned according to required clean-out levels and are reported to be functioning properly. (JCO)

# MAPS

Copies of mine maps, current and up-to-date, 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	HORIZON MINE 5 YEAR MINE F	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mine Map	SAME AS ABOVE	<input checked="" 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"/>	<input type="checkbox"/>

Reviewer Comments  Met Requirements  Did Not Meet Requirements