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DEPARTMENT OF NATURAL RESOURCES

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Technical Analysis and Findings
Utah Coal Regulatory Program

PID: C0070020
TaskID: 4512
Mine Name: HORIZON MINE
Title: MIDTERM PERMIT REVIEW

General Contents

Identification of Interest

Analysis:

The Ownership and Control found in Chapter 2, Page 2-2A of the MRP was compared to the Applicant Violator System and no anomalies were found.

An AVS Evaluation of the permit was generated on 2/26/14. Twenty (20) violations were retrieved in the system. Violations 19 and 20 are issued to the permittee, Hidden Splendor Resources, Inc. and are outstanding. The remaining violations are under Island Creek settlement.

Both violations (19 and 20) are AML violations. Violation 19 was issued on 6/30/12 and shows an amount due of \$13,602.19. Violation 20 was issued on 9/30/12 and shows an amount due of \$1,200.10.

ssteab

Operation Plan

Fish and Wildlife Protection and Enhancement Plan

Analysis:

Volume 3, Chapter 10 Section 10.2.3, Page 10-4, Paragraph 5 of the MRP indicates that macroinvertebrate surveys will be conducted every other year in the Spring and Fall with the Division being notified until final bond release. The next survey is due in the Spring of 2014.

Deficiencies Details:

Volume 3, Chapter 10 Section 10.2.3, Page 10-4, Paragraph 5 of the MRP indicates that macroinvertebrate surveys will be conducted every other year in the Spring and Fall with the Division being notified until final bond release. The next survey is due in the Spring of 2014.

jhelfric

Topsoil and Subsoil

Analysis:

The mine is currently inactive and has been for quite some time. During the March 11, 2014 site inspection the following observations were made on the topsoil that is presently stored on the bank to the left of the surface facilities pad as you enter the property:

There are a number of rills that have formed on the stockpile undercutting the waddle that runs parallel to the diversion ditch where topsoil is being deposited;

The waddles should be adjusted to prevent topsoil from being deposited into the diversion ditch;

The rills that have formed should be eliminated or a methodology employed to keep them from developing further and;

The topsoil in the diversion ditch should be protected from disturbed area runoff.

Deficiencies Details:

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The waddles should be adjusted to prevent topsoil from being deposited into the diversion ditch;

The rills that have formed should be eliminated or a methodology employed to keep them from developing further and;

The topsoil in the diversion ditch should be protected from disturbed area runoff.

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Hydrologic Siltation Sedimentation

Analysis:

During the March 11, 2014 mid-term inspection, the pond and diversion ditches were evaluated. The pond is beginning to show sediment build up at the pond inlets, but the frozen water in the pond prevented further investigation of sediment build up. A copy of the December 2013 pond inspection report states that the sediment levels are still below the clean-out elevation.

The pond inlet from ditch DD-6 is eroding and should requires maintenance. Ditch DD-6 also needs maintenance. Ditch DD-6 and the problems with the pond inlet were discussed in the mid-term inspection report.

adaniels

Reclamation Plan

Bonding Determination of Amount

Analysis:

The mine currently has a real property bond in place covering \$445,000. The principal holder is American Towers. The bond amount will need to be updated to current year dollars.

Deficiencies Details:

R645-301-830.140. The Permittee must provide updated information for estimated bonding costs with supporting calculations for the estimates. This includes updated unit costs (to be used to update bond calculation spreadsheets) and updated escalation factors. Updates should be provided using the 2014 data from R.S. Means Heavy Construction Cost data manual and the Caterpillar Handbook or other appropriate resources. The bond summary and corresponding bond calculation sheets in the MRP need to be updated and appropriately escalated to 2019 dollars using Division's approved 1.9% and 5 year escalation.

jowen