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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

October 26, 2015

Alex Walker, Resident Agent  
Hidden Splendor Resources, Inc.  
57 West 200 South, Suite 400  
Salt Lake City, Utah 84101

Subject: 2014 Annual Report Review Completion, Horizon Mine, C/007/0020, Task ID #4807

Dear Mr. Walker:

The Division staff has completed the review of the 2014 Annual Report. Enclosed is a copy of the review with each reviewer's comments.

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  
O:\007020.HZN\WG4807 ANNUAL REPORT\ReviewCompletionLetter.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	Hidden Splendor Resources, Inc.	Phone Number	+1 (801) 363-0100
Mailing Address	57 West 200 South - Suite 400	Email	awalkerlaw@aol.com
City	Salt Lake City		
State	Utah	Zip Code	84101

## 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:		REPORTING OF TECHNICAL DATA

## OPERATOR COMMENTS

## REVIEWER COMMENTS

Met Requirements  Did Not meet Requirements

Four quarterly impoundment inspections were included in the report. Inspections of the pond took place on 3/12/14, 5/15/14, 8/25/14, and 10/23/14. All inspections were conducted by Kit Pappas and the 3/12/14 inspection was stamped by Professional Engineer, Tom Paluso. The March and May inspections indicate that the pond should be cleaned of sediment by Fall 2014. This cleaning did not take place. Three of the inspections indicate that some erosion/slumping is taking place on the south embankment, work has not been done to correct this. During 2014, a Failure to Abate Cessation Order was issued by the Division for not completing abatement work on a violation written for not maintaining the sediment pond. It is still outstanding. (AD)

# 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

TEMPORARY SEALS WERE INSTALLED IN THE MINE PORTALS IN JUNE 2013. NO MINING OF ANY KIND WAS CONDUCTED AT THE HORIZON MINE DURING 2014.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The Division has been told that Beaver Creek was not ever second mined as planned thus rendering this requirement obsolete. LR 6/12/15

Hidden Splendor Resources filed for Chapter 11 bankruptcy during the first quart of 2013. There has been no pillar panels developed or retreated under Beak Creek during 2012 to 2014. Raw subsidence data was provided in 2012 (August 2012) for each monitoring point and showed minimal elevations changes within surveying error. The MRP commitment is for subsidence monitoring for a period of two years following cessation of mining operations. The Division never received a notification of temporary cessation from Hidden Splendor Resources, as detailed in Chapter 3 section 3.3.6.4 of the MRP to meet R645-301-529.210, but instead received a letter in December 2012 stating that the Permittee had intentions to continue mining and would continue to meet the R645 and MRP monitoring commitments. The mine is currently considered an Active mine under SMCRA definitions. Subsidence monitoring was not conducted for 2013 and 2014 failing to meet the requirements of R645 rules and Horizon's MRP. (CP)

**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

NOT CONDUCTED

Reviewer Comments  Met Requirements  Did Not Meet Requirements

No pillar panels or retreats were mined at the Horizon Mine for 2014, however, the MRP commitment is for subsidence monitoring for a period of two years following cessation of mining operations. The mine is currently considered an Active mine under SMCRA definitions. Pedestrian surveys for subsidence monitoring was not conducted for 2013 and 2014 failing to meet the requirements of R645 rules and Horizon's MRP. The last pedestrian subsidence survey was conducted in September of 2012. No photos were provided or any cracks, fractures, slumping or other subsidence related abnormalities at that time. (CP)

**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 MINING OF ANY KIND WAS CONDUCTED AT THE HORIZON MINE DURING 2014.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

This requirements is based on the observed results of mining and pillar panels. A pillar panel must be developed in order to establish the draw line. No pillar panels were developed or retreated from 2012 to 2014, therefore the draw line cannot be established. (CP)

**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

N/A

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The Permittee began reclamation activities in fourth quarter 2014 by removing the facilities buildings. Five monitoring wells were identified in a meeting on March 3, 2010 with the Permittee, BLM, and Division that were still being utilized for data collection but were not bonded for. The 2012 Annual report also identified well HZ-95-3 which has been a dry well since 2002 but the Permittee was granted approval to postpone plugging of the well until final reclamation. The Permittee has not meet the R645 rules or MRP requirements for this condition. (CP)

**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, page7-30, 7-31, 7-34 and 7-37

Operator Comments

REFER TO H20 field-4thQTR 2014.pdf

Reviewer Comments  Met Requirements

Did Not Meet Requirements

First quarter of 2014 was reported as "no access". Water monitoring did not take place during the second and third quarters, two NOV's were issued as a result. Water sampling did take place during the fourth quarter of 2014, and the results of that sampling were included in the annual report. (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

LAST SURVEY CONDUCTED ON 10-11-2012 BY JBR ENVIRONMENTAL CONSULTANTS. SINCE NO WATER HAS BEEN DISCHARGED FROM THE HORIZON MINE SINCE JUNE OF 2013, THIS SURVEY WOULD BE IRRELEVANT AND UNNECESSARY.

Reviewer Comments  Met Requirements

Did Not Meet Requirements

On 6/30/14 HSR submitted an application for Permit Change to eliminate the macroinvertebrate studies. As noted in the technical analysis, "There are nine surveys that have not been conducted to date and they are critical to the analyses of the data that has been collected. Absent that data the Division can not make a valid scientific determination to allow for the macroinvertebrate surveys to be discontinued." As such, on 7/30/14 DOGM denied the application and sent a letter to HSR identifying deficiencies. Deficiencies were never addressed. A NOV (N12146) was issued on 7/29/14 (task 4644). The action was terminated because the timeframe had past but all future monitoring was required per the MRP. (Lisa Reinhart)

**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

WAS CONDUCTED IN 2012

Reviewer Comments  Met Requirements

Did Not Meet Requirements

Next baseline monitoring should be conducted in 2017. (AD)

# 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: IMPACTS TO RIPARIAN VEGETATION**

**Objective:** Should impacts to vegetation occur due to subsidence, mitigation measures may include: filling fractures, regarding of broken areas, replanting degraded areas, and intensified monitoring.

**Frequency:** Check for impacts annually

**Status:** Ongoing

**Reports:** Annual report, when mitigation is conducted.

**Citation:** Volume 1, chapter 3 section 3.4.8.2, page 3-27, paragraph 4.

**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: 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)**

SURFACE FACILITIES AND STRUCTURES AND COAL FINES HAVE BEEN REMOVED FROM THE DISTURBED AREA.

**REVIEWER COMMENTS**

The steel frames of the surface facilities and structures that the Permittee had removed from the site during the second quarter of 2014,

however, concrete foundations, asphalt, and coal debris not suitable for resale were left in place as of June 2014. Monthly inspections for the majority of 2014 show that coals fines have been pushed into the pond. Only temporary seals, which have been vandalized twice in the first quarter of 2015, remain as seals at the portals. (CP)

## 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

Although the MRP requires the submission of a reclamation channel design, which will allow reasonable likelihood of reestablishing the riparian vegetation along Jewkes Creek, this design has not been submitted and reclamation is upon us.

# 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		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map	HORIZON MINE FINAL MAP 6-1	<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

No annual subsidence map was included, the last annual subsidence map supplied to the Division was in 2012. The same mine map supplied during the 2013 annual review was delivered to the Division again, titled Temporary Closure. (CP)