



GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
MICHAEL R. STYLER JOHN R. BAZA
Executive Director Division Director

INSPECTION REPORT
MINERALS REGULATORY PROGRAM

REPORT DATE: MAY 7, 2019

Mine Name: Asphalt Ridge 2	Inspection Date: 05/07/2019 10:32 AM
Permit Number: M/47/0032	Inspection Time: 11:00 AM
Mine Status: Active	Inspector(s): April Abate
Operator Name: Tar Sands Holdings II	Prior Inspection: Jun 28, 2017
Attendee(s): A. Burrows, D. Hall, W. Campbell, . Novak, Div. Water Quality	Permit Fees: Paid
Weather: Sunny/Overcast	Bond Amount: \$792,000
Reviewed By:	Bond Escalation: Mar 2, 2016
Inspection Purpose: Routine inspection	
Conclusions and Recommendations: Site needs additional maintenance work on the seeps. Operator committed to maintenance on seeps by covering them with large boulders and to remediate leak from process tank.	



Location: Esri contributors Powered by Esri
Coordinates: Latitude: 40.43450, Longitude: -109.59558

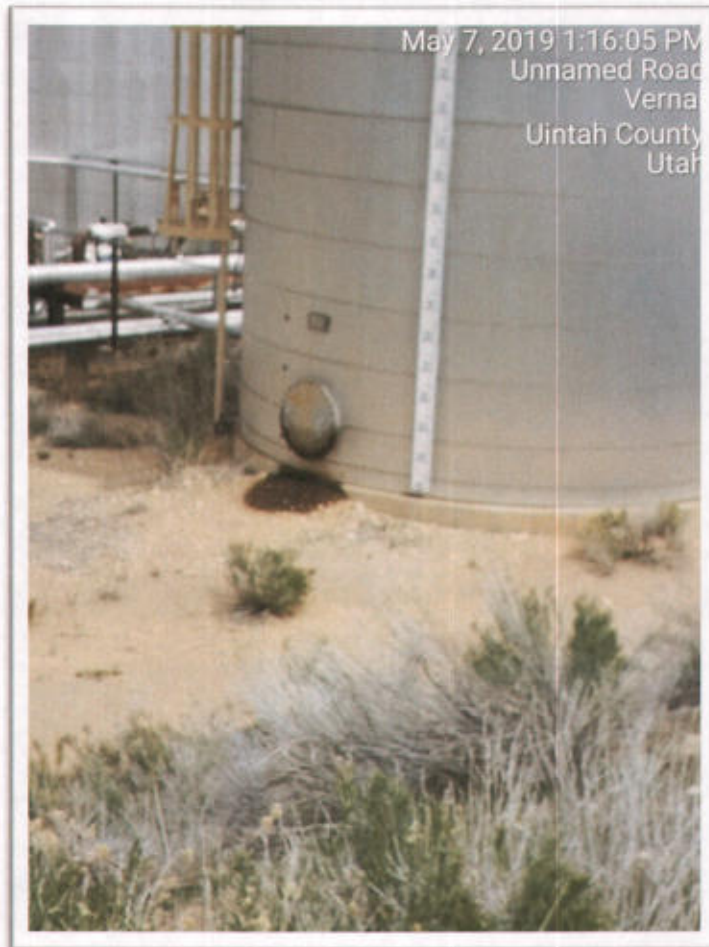
ELEMENTS OF INSPECTION

1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: Company has provided samples from mine reserves to potential investors and to asphalt manufacturers. This is what supposedly has comprised the 1600 tons from 3 stockpiles reported in the 2018 Annual report submission.	
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: Scrap metal, salvaged equipment, crates and drums containing bitumen remain on the site in the boneyard areas. Should be cleaned up and taken offsite for proper disposal if no future use is planned.	
3. Protection of Drainages/Erosion Control	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: Vivakor is no longer operating on the site. Another group is conducting due diligence on purchasing the property.	

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
Telephone (801) 538-5340 Fax (801) 359-3940 TTY (801) 538-7458 www.ogm.utah.gov



DWQ granted old permit-by-rule on the condition that they will process sands. Seeps that are cropping out from the asphalt ore that flows into the main pit showed heavy oxidation flowing over the rocks. Requested that the operator cover these oxidized areas with gravel to limit the surface exposure and minimize acid rock drainage.	
4. Deleterious Material	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: Small leak on one tank. Could not determine based on visual observation whether or not this was product, water, or a mixture of both. Operator acknowledged it and will look into remediating it.	
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: Water bars installed for stormwater diversion are in good working order.	
6. Reclamation	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: No reclamation is occurring on the site. Boneyard areas contain lots of scrap metal and equipment that appears to be almost new/barely used.	
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)	<input checked="" type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment: No backfilling or grading is occurring at the present time.	
8. Soils	<input type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment:	
9. Revegetation	<input type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment:	
10. Other	<input type="checkbox"/> : Evaluated <input type="checkbox"/> : Enforced
Comment:	



Longitude: -109.59831
Latitude: 40.43629

Comment: Minor leak was observed from one of the process tanks (approx. 1-2 gallons), below reportable qty



Longitude: -109.59550
Latitude: 40.43453
Comment: Entry sign



May 7, 2019 1:48:16 PM
Unnamed Road
Vernal
Uintah County
Utah

Longitude: -109.60018
Latitude: 40.43325

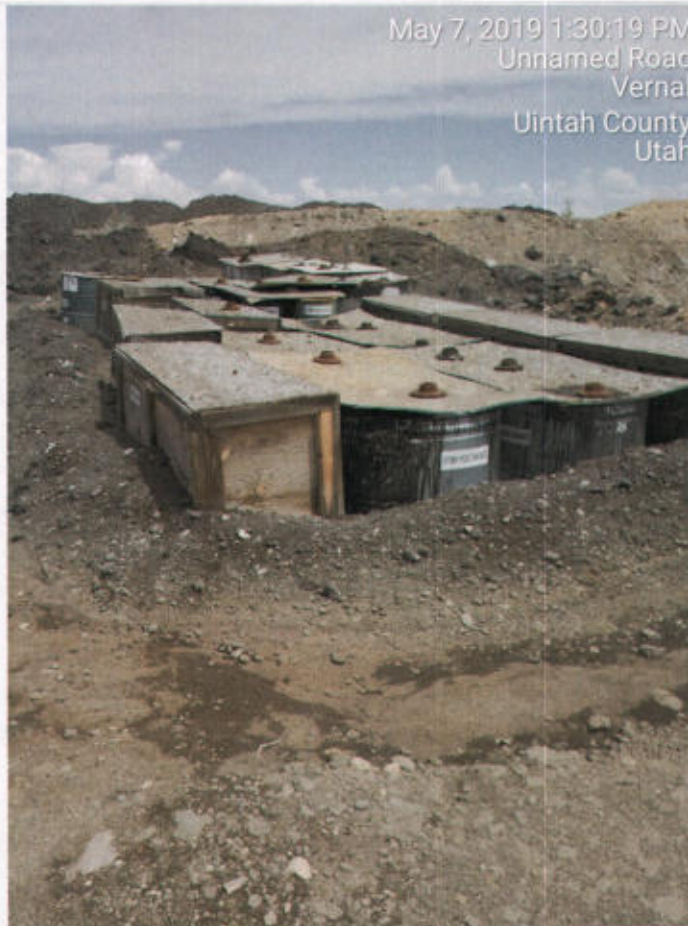
Comment: Example of active seep. Drains into mine pit. No offsite impact.



May 7, 2019 1:37:43 PM
2750 U.S. 40
Vernal
Uintah County
Utah

Longitude: -109.60055
Latitude: 40.43364

Comment: Stormwater was present in and near the main mine pit.



May 7, 2019 1:30:19 PM
Unnamed Road
Vernal
Uintah County
Utah

Longitude: -109.60039
Latitude: 40.43402

Comment: Bitumen product containers located on the property.

INSPECTOR'S SIGNATURE

A handwritten signature in black ink, appearing to read "April A. H.", written over a white rectangular background.

SUGGESTIONS/EDITS:

Reviewer:

File:

cc: Brent AndrewsEN, bandrewsen@kmlaw.com
Denise Dragoo, ddragoo@swlaw.com