



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

M104710089  
OUTGOING  
TASK 8070  
APRIL

June 4, 2018

CERTIFIED RETURN RECEIPT  
7014 2870 0001 4231 6622

David Sealock  
Petroteq Energy, LLC  
4370 Tujunga Avenue, Suite 320  
Studio City, California 91604

Subject: Division Directive to Post Additional Reclamation Surety, TMC Capital, LLC, TME Mine, M/47/0089, Uintah County, Utah

Dear Mr. Sealock:

On May 21, 2018, a representative of the Division of Oil, Gas and Mining (Division) inspected the mining operation that was most recently approved on October 27, 2017. Based on this inspection, it is clear that several updates are needed for the Notice of Intention to Commence Large Mining Operations (Notice), including the following:

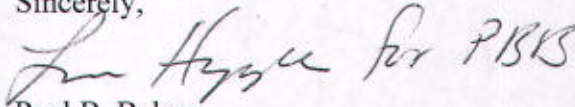
1. Updates to the operation plan as per rule R647-4-106, including map and figure updates per rule R647-4-105. These need to include the final configuration of the processing facility, a hydrologic design map showing the routing of stormwater and engineered design of impoundment structures.
2. The reclamation plan for the mine pit in the Notice is from 2008. An up-to-date reclamation plan and cost estimate is now required per rules R647-4-110
3. Together with the changes discussed above, the Division needs a revised reclamation cost estimate accounting for changes in the processing facilities, site configuration, and the reclamation plan. Vivakor's equipment that was included in the previous reclamation cost estimate is being removed and can be taken out of the estimate.



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David Sealock, Petroteq Energy  
M/047/0089  
June 4, 2018

Please respond to this directive no later than **June 29, 2018**. The Division asks that you schedule a time to meet with April Abate (801-538-5214) and me (801-538-5261) to discuss these requirements.

Sincerely,

A handwritten signature in black ink that reads "Paul Baker for PBB". The signature is written in a cursive, flowing style.

Paul B. Baker  
Minerals Program Manager

PBB:aa:jb  
Encl: Inspection Report, 5/24/2018  
cc: Sam Arentz ([sam@arentz.com](mailto:sam@arentz.com)); Donald Clark, [dclark@mcwenergygroup.com](mailto:dclark@mcwenergygroup.com)  
P:\GROUPS\MINERALS\WP\M047-Uintah\M0470089-TMEAsphaltRidge\final\Directive-05312018.doc