EXECUTIVE SUMMARY

Date Summary Prepared: April 7, 2015

Mine Name: PR Spring Mine	**I.D. Number:** M/047/0090
Operator: U.S. Oil Sands (Utah), Inc.	**Date Original Notice Received:** April 11, 2006
Address: Suite #1600, 521- 3rd Avenue SW Calgary, Alberta T2P 3T3	**County:** Uintah
	New/Existing: Significant Revision to an existing Large Mine Permit
	Mineral Ownership: SITLA and Fee
Telephone: (403) 233-9366	**Surface Ownership:** SITLA and Fee
Contact Person: Barclay Cuthbert	**Lease No.(s):** SITLA Lease ML-49944, 49280, 49281, 49572
Telephone: (403) 233-9366	**Permit Term**: Life of Mine

Life of Mine: Phase 1 is for five years. Future mining phases may extend the life of mine to 10 years or more.

Legal Description: Sections 35 and 36, Township 15 South, Range 23 East, SLBM; Sections 31 and 32, Township 15.5 South, Range 24 East, SLBM

Mineral(s) to be Mined: Tar Sands

Acres to be Disturbed: 316.2

Present Land Use: Grazing and Wildlife Habitat

Postmining Land Use: Grazing and Wildlife Habitat

Variances from Reclamation Standards (Rule R647) Granted: None Requested

SOILS AND GEOLOGY

Soil Description: Soil samples identified by USDA, NRCS, indicate three soil types as Seepridge-Utso complex Tosca gravelly sandy loam and Gompers-Rock outcrop complex. Soil pH ranges from about 5.1 to 9.0, but most soils are slightly basic. The depths of the soils vary, and portions of the site have been disturbed by historic mining. Soils are mostly derived from the local stratigraphy and alluvial sources. All available surface soils will be salvaged prior to mining then redistributed as part of reclamation.

Special Handling Problems: Depth of soil is variable from ridgetops to sideslopes.

Geology Description: The mine is in the Uinta Basin Section of the Colorado Plateau Geologic Province. The site consists of rolling terrain dissected with stream channels, Horse Canyon to the south and Main Canyon to the north. PR Spring is in the Douglas Creek Member of the Eocene Green River formation. In the mine area, the beds strike north 20 degrees east and dip 1.2 to 1.7 degrees northwest. The Green River formation consists of lenticular beds of lacustrine sandstone saturated with bitumen separated by intervals of barren sandstone, siltstone, mudstone and calcareous marl.

RDCC# 48051

HYDROLOGY

Ground Water Description: Depth to the regional groundwater table in the vicinity of the mine is 1500 feet or more below ground surface. Exploration drilling at the site did not encounter water to a depth of 150 below ground surface. Several shallow isolated perched aquifers are noted in the Main Canyon watershed as seeps or springs; none are located within the bonded area.

Surface Water Description: The disturbance area is located on the drainage divide between PR Canyon and Main Canyon, which are both within the Green River watershed. The mine is atop a plateau, and the pit is designed with a perimeter highwall. All precipitation falling within the mine pit collects and is contained in the bottom of the pit. Surface water appears to be constrained by the low permeable clays and the oil sands. Surface storm water diversion channels were designed to intercept off-site drainage using the 10-year, 6-hour storm event criteria for the plant site and flows to a water retention pond. Rip-rapped energy dissipaters are constructed at the toes of some of the slopes. Additional sediment controls, like perimeter berms, perimeter ditches, woody material berms, silt fence, etc.; will be used in areas where additional treatment is necessary.

Water Monitoring Plan: The site is permitted-by-rule by the Division of Water Quality which means that an analytical water monitoring program is not required. The Division of Oil, Gas and Mining has requested voluntary baseline sampling of the springs and seeps identified in the Main Canyon Watershed for the purpose of verifying the lack of hydrologic connectivity.

ECOLOGY

Vegetation Type(s); Dominant Species: The study area consists of four plant communities: sagebrush-grass mixed tall shrub, pinyon-juniper-douglas fir and aspen glade. Seventy percent of the disturbance will occur in the mixed tall shrub community, 20 percent in the sagebrush-grass and 10 percent within pinyon-juniper-douglas fir community.

Wildlife Concerns: No threatened or endangered species were identified on the property, but the Mexican spotted owl (threatened) is known to be in the region of concern for this project. No nesting habitat has been identified within 1.5 miles of the PR Spring lease block. Occupied habitat for the greater sage grouse is identified within the vicinity of the mine, but there are no designated Sage Grouse Management Areas in the vicinity of the mine.

MINING AND RECLAMATION PLAN SUMMARY:

Surface Facilities: The process surface facilities will include a process train, a water retention pond, tank farm, ore stockpile, sand processing area, storage area, associated pipelines and power lines, mine warehouse, maintenance shop and mine office. The mining areas include a surface soil stockpile, overburden pile, mining pit, access roads, and various runoff control facilities.

During Operations: U.S. Oil Sands (Utah) intends to modify their large mining operation by eliminating two valley fill waste dumps that were proposed in the original mine plan. Waste rock will be stockpiled and returned to the mined out pits as part of concurrent reclamation activities. A total of three pits will be mined as part of the five-year mine plan totaling 316 acres of planned disturbance. No tailings ponds will be generated. Bitumen is the product from the processing of the native tars/asphaltic material. Bitumen products are anticipated to be stored on site awaiting sale and off site transportation. The process train is designed to accommodate 3,000-3,500 tons of ore per day, producing approximately 2,000 bbl/day of bitumen. It is estimated that a total of 31.5 million cubic yards

of material will be mined during the five-year period. There will be no discharges from the process pond. Two production wells will provide groundwater to use in the processing of bitumen. A water right was obtained from the State Engineer's office to use up to 360-acre feet per year. Water usage for processing is estimated to be 189 acre-feet per year. Air quality will be protected in accordance with conditions set forth by EPA. Fugitive dust will be controlled through Best Management Practices to include speed control and treatment of roads with water.

After Operations: All processing facilities will be removed following mining. Facilities will be demolished and, as appropriate, recycled or hauled to a disposal facility. All mine site and access roads will be reclaimed through regrading and slope reduction following mining. No high walls will remain at the end of mining as pits will be backfilled and graded to blend with the surrounding topography. Pit slope angles will not exceed 3H:1V. Salvaged topsoil will be redistributed to all graded areas and spread to a four-inch depth. A Division-approved seed mix that includes both native and introduced species adapted to the area for all reclaimed surfaces. Broadcast seeding or drill seeding methods will be used depending on the accessibility in some areas.

SURETY

Amount: The estimated reclamation cost has yet to be determined. The operator will be required to post adequate reclamation surety before the Division issues final approval.