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INTERNAL
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State of Utah
DEPARTMENT OF NATURAL RESOURCES

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Minerals Inspection Report

Reviewed PPAS

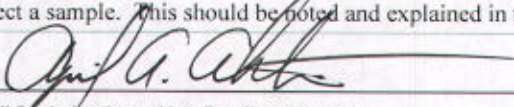
Report Date: **06/25/2018**

Mine Name: PR Springs	Permit Number: M/47/0090	Mine Status: Inactive
Operator Name: US Oil Sands, Inc.	Inspection Date: 6/19/2018	Permit Fees: Paid
Inspector(s): A. Abate	Inspection Time: 10:00 AM	Bond Amount: \$732,000
Attendee(s): Lyle Gardner, Operator Representative	Weather: Sunny, Clear	Bond Escalation: 01/01/2019
Inspection Purpose: Spring 2018 inspection for idle mine		Prior Inspection: 11/2/2017

Conclusions and Recommendations
Erosion areas were inspected and determined to be minor and do not appear causing any off site impacts. Oil and solvent tanks were not drained. Partial water sampling was conducted by operator at the end of May 2018 for 2nd quarter 2018 to meet requirements. Please provide that data to the Division when it becomes available from the lab. Operator has done some noxious weed spraying on the topsoil stockpiles. Discussed the operator applying for final bond release on exploration permit E/19/0053.

Elements of Inspection	Evaluated & Commented	Enforcement
1. <i>Permits, Revisions, Transfer, Bonds</i> The plant site and all associated equipment were added to the reclamation bond bringing the total bond up to \$732,000.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. <i>Public Safety (shafts, adits, trash, signs, highwalls)</i> No public safety issues were noted. The plant remains behind a locked gate. Seep Ridge Road is separated from the main haul road by a 3-foot safety berm.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. <i>Protection of Drainages/Erosion Control</i> The original test pit and the main mine pit were both inspected for erosion. The small area of rilling identified in the fall did not appear to have gotten any worse. The drainage break alongside the haul road was observed. This berm break directs flow to a sediment pond located in between the canyons. The pond was inspected and was observed to be dry. Based on these observations, it appears that the region did not receive much moisture over the winter. US Oil Sands remains bound to the sampling obligations of the October 2015-approved water monitoring plan of the on-site wells and nearby springs. Phase I of the monitoring plan required tri-annual sampling. Phase I sampling was complete as of Fall 2017. Phase II sampling requires bi-annual sampling 2 quarters per year and begins in Spring 2019. Reporting of all water monitoring data will be required as part of the annual report, which will be sent to the operator prior to the end of the 2018 and due on January 31, 2019.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. <i>Deleterious Material</i> A small area of 55-gallon drums were noted on the property. Some of the drums were empty, some were covered. Drums with open bungholes were covered. Solvent and hot oil tanks were noted in the facility area. Recommend the operator to either place in secondary containment, or drain the tanks of their contents.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. <i>Roads (maintenance, surfacing, dust control, safety)</i> Road appeared to be in good, stable condition.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. <i>Reclamation</i> No reclamation is occurring at this time. Highwalls appear to be stable and no major erosion issues were noted. Some maintenance of these areas after spring thaw is expected.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. <i>Backfilling/Grading (trenches, pits, roads, highwalls, shafts)</i> No backfilling or grading is occurring at this time.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. <i>Soils</i> Topsoil pile was inspected. Thistle was treated by the operator.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. <i>Revegetation</i> No reclamation/revegetation efforts are presently occurring at the site.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

10. <i>Other</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Samples were collected from the springs only. The water wells were taken off-line as a result of the plant shut down protocol making it impossible to collect a sample. This should be noted and explained in the USOS water sampling report to the Division.		

Inspector's Signature: 

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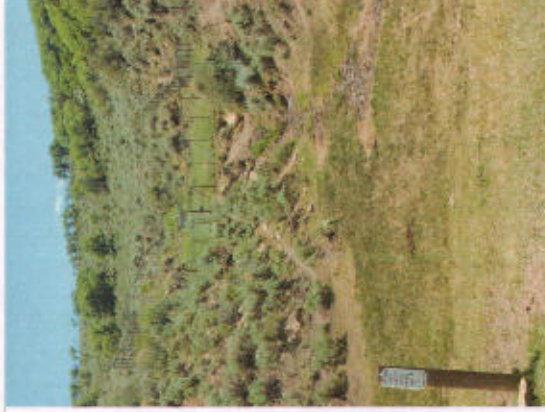
View of the plant facility



Breach in the haul road for drainage.



Sediment pond was dry



Visited the PR Spring. It was flowing at approximately 1 - 3 gallons per minute.