

STATUS: UTAH OIL SHALE DEVELOPMENT

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About the UMA OSTSC

- ▣ Mission Statement
- ▣ Formed under Utah Mining Association (UMA)
- ▣ Members
- ▣ Goals

Utah OS-TS Companies

- ▣ OSEC
- ▣ Red Leaf Resources
- ▣ Enshale
- ▣ Millennium
- ▣ Earth energy

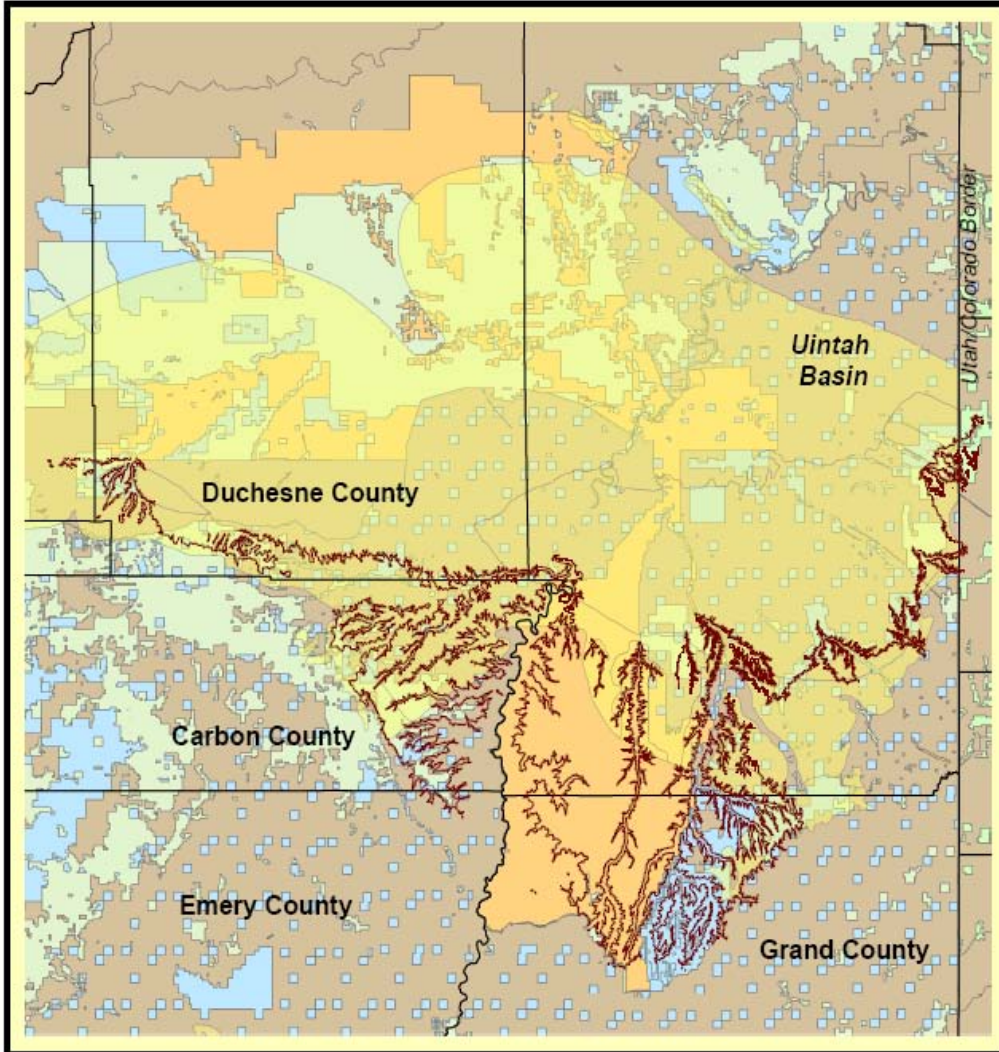
UMA OSTSC Policy Paper

- ▣ Considers current oil shale – tar sand (OS-TS) development in Utah and the Canadian tar sands experience
- ▣ Assesses state resources
- ▣ Recommendations for federal actions
- ▣ Identification of state energy landscape and proposed course for OS-TS development
- ▣ Considerations for local activities
- ▣ Industry commitments to OS-TS development, socio-economic and environmental safeguards

Technologies

- ▣ P-6 Retort
- ▣ Taciuk Retort
- ▣ EcoShale In-Capsule
- ▣ Other Retorts

Utah Resource



Utah Data



In the Uintah Basin in Utah, 31 bbl reach an average of 25 GPT at ~ 25 feet thick along the mahogany zone. This is within about 100 feet of overburden. The basin itself holds ~300 bbl between 0-5000 feet deep. In Utah, 270 bbl are within 100 feet of the surface at ~15 GPT and 50 bbl are found within 100-5000 feet of the surface at ~30 GPT.



Map created and provided by Red Leaf Resources Inc. 2008

Map data provided by the Utah GIS portal/AGRC and USGS.

- About 100k acres SITLA properties
- About 650K acres federal
- <100k private land
- Native American properties

Current Policy Environment

- ▣ Utah Energy Policy
- ▣ Severance Tax relief
- ▣ Capital equipment sales tax relief
- ▣ Legislative (Federal and state), Executive and Community Support
- ▣ Governor signed UFTF report
- ▣ Governor supported lifting the moratorium of development of final leasing regulations

Federal Policy Actions

- ❑ Establish a level of proven reserves for resources.
- ❑ Tax incentives for independent R&D projects.
- ❑ Establish consistent leasing programs for exploration and mining of resources with supportive royalty framework.
- ❑ Identify key corridors for accessing, transporting and refining resources and associated production outputs.
- ❑ Allocate overall regulatory responsibility to the state DOGM.
- ❑ Remove the Payment Law clause from PILT legislation, thereby allowing current mineral lease funds to flow directly to the local impact communities.
- ❑ Allow local impact communities to keep 100% of mineral lease bonus payments as was done in the prototype programs of the 1970's.
- ❑ Allow industry to pay production royalties directly for community impact needs.
- ❑ Fund major infrastructure needs.
- ❑ Formalize the Canadian alliance to establish the North American Energy corridor for protection of resource development zones.

State and Local Policy Considerations

- ❑ Expand small mine leasing programs to allow for reasonably sized intermediate projects.
- ❑ Coordinate the permitting process across regulatory agencies to enhance regulatory certainty.
- ❑ Identify and fund private-public partnerships that support needed infrastructure and expanded refining capacity in the state.
- ❑ Update transportation corridors and priorities to improve access to resource areas.
- ❑ Define and fund educational programs to support local employment opportunities and growth in the labor force.
- ❑ Support cost-match options for federal grants to advance development technologies, including carbon-capture and sequestration efforts.

Industry Commitments

- ▣ Active communication with federal, state and local governments to assure appropriate consideration in long-term planning for sustainable development.
- ▣ Deployment of best available technologies for protection of environmental values.
- ▣ Provide cost-match strategies for development of infrastructure needs, including roads, refining capacity and education.
- ▣ Undertake appropriate planning to address socio-economic impacts.

Concluding Comments

- ▣ Canadian oil sands experience
- ▣ Reasons to support this industry
- ▣ Compatibility of energy, socio-economic and environmental objectives
- ▣ Development challenges can be overcome
- ▣ OS can be a sustainable industry
- ▣ OS as part of national overall energy portfolio

UMA OSTS Paper

Paper will be posted at UMA website

www.utahmining.org

or

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