

Conservation groups fight oil shale plan in eastern Utah

A coalition of environmental groups objected Tuesday to the U.S. government's approval of the early stages of an [oil shale project near the Utah-Colorado border](#) by a company with ties to Estonia.

An intent to sue filed by a coalition including Earthjustice and the Center for Biological Diversity challenges the Bureau of Land Management's September decision to allow Enefit American Oil to build transmission lines and pipelines on a 19-mile corridor on federal lands.

It is the first step required by law before being able to sue. The BLM now has two months to respond.

The project "would drain billions of gallons of water from the Green River, threaten endangered species and generate enormous amounts of greenhouse gas pollution," the coalition said in a news release.

BLM spokesman Ryan Sutherland said the agency doesn't comment on pending lawsuits.

Enefit American Oil CEO Ryan Clerico said in an email that production is years away and will require additional government approvals. The company cooperated with officials during the environmental review process, Clerico said.

The approved plan is the "best environmental option," Clerico said.

The Utah-based company is a subsidiary of Eesti Energia AS, Estonia's national energy company. Estonia, a country of 1.3 million people, gets a major chunk of its electricity needs from oil shale.

The company has invested \$60 million to date in the Utah project, which

would produce an estimated 50,000 barrels a day if the site is fully built out, Clerico said. It took six years to get the first governmental approval.

Oil shale mining involves higher operating costs than traditional drilling but can be profitable when crude prices are high. That's not currently the case.

The price of crude oil was \$55 a barrel Tuesday, down from a peak of \$147 in 2008.

Oil shale comes from crumbly rock that contains a material called kerogen, which can be heated and separated from the rock and then processed and turned into liquid oil.

Utah has been targeted before by oil companies for oil sands mines, but no company has made it all the way through the permitting process and to production. Low oil prices in recent years have reduced the financial incentive.