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Investors Beware: Utah's Tar Sand Deposits are Duds

MOAB, UT - The Record of Decision issued March 22nd by the Bureau of Land Management concerning the development of TAR SANDS in Utah states the following on page 40:

"[t]his resource is not, at present, a proven commercially viable energy source, and the BLM would like to obtain more information about environmental consequences associated with its development prior to committing to broad-scale commercial development."
http://ostseis.anl.gov/documents/docs/2012_OSTS_ROD.pdf

Activists opposing the development, processing, and refining of Utah's TAR SANDS emphatically concur with this statement. It is well documented in the geologic literature that the majority of the deposits in Utah will require steam injection to liberate the bitumen ("tar"), in order for this viscous oil to be pumped to the surface for further refining (in-situ). Vast amounts of water will be required for this proposed industry and in the second driest state in the USA (preceded by Nevada).

"Aquifers will be depleted before there is any investment return and depletions of surface water from the Colorado River and its tributaries will be fiercely litigated because current demand outstrips the supply," says John Weisheit, conservation director of Living Rivers and Colorado Riverkeeper.

The Energy Return on Investment (EROI) for in-situ extraction is, under the best of circumstances, 2 to 1, according to respected energy analysts from the USA. Additionally, analysts from Canada place the EROI of steam injection at 1 to 1. For comparison, the EROI for the global oil and gas industry is 10 to 1.

However, there are tar sand deposits near the surface in some localities such as the PR Spring deposit in the Tavaputs Plateau of east-central Utah. It has been speculated that these deposits could be strip-mined and processed on site with just hot water and solvents to liberate the bitumen. Lack of water, none-the-less, is still the #1 heartache of industry speculators such as US Oil Sands, Inc., which is based in Calgary, Alberta. US Oil Sands has leased 30,000 acres from the state of Utah that it considers worthy of strip mining.

Investors must understand that this ore deposit near the surface is by no means a bonanza. The near surface deposits are lens-shaped deposits that have an average thickness of 27 feet and the deposits are interuppted and isolated by a series of incised canyons. The average depth of the overburden and intraburden (rocks with no economic value) is 124 feet. The

general standard for economic return is a ratio of waste rock to ore is 2 to 1. In this case the ratio is an exorbitant 5 to 1.

"The strip-mining proposed by US Oil Sands will become the grave of their business. When they declare bankruptcy, the citizens of Utah will have the responsibility to reclaim their damage to the last remaining wild place of the contiguous USA," says Ashley Anderson, co-founder of Before It Starts.

Potential investors should do at least these three things:

1) Ask USOS what it would cost the company to be shut down unexpectedly for a full day of operation, and write that amount down.

2) Take a moment and visit some search engines, such as Keystone XL pipeline protests and mass arrests, which were organized in part by Utah activists. An ever-growing number of people are now blockading construction of the pipeline in multiple states. The CEO of Endinbridge said "We are facing a very strong, almost revolutionary movement."

3) Write down how many days you think USOS can be stopped by a continental movement and multiply those two numbers together.

Now ask yourself, is it worth it?"

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Additional Information:

See tables next page

Table One

- Analyses of drill records available to the public within a two mile radius of US Oil Sands proposed strip mining project.
- Depth below surface for this analysis is 150 feet (as per submitted application).
- Standard: uneconomical if ratio of ore to waste is over 1 to 2
- Reference: Horn, George H., 1967. Open File Report on PR Spring-Roan Cliffs, Grand County and Southern Uintah Counties. USGS.
  http://www.riversimulator.org/Pubs/OSTS/Ref/Horn1967.pdf

Site	Overburden thickness	Bitumen ore (low to high saturation)	Intraburden thickness
5	87	39	24
6	0	22	128
27	0	2	148
28	30	40	80
Avg.	29 feet	26 feet	95 feet

Table Two

Analyses of drill records available to the public on an 8-mile transect along the Divide Ridge Road.

Site	Overburden thickness	Bitumen ore (low to high saturation)	Intraburden thickness
5	87	39	24
6	0	22	128
10	0	26	124
12	56	9	85
28	30	40	80
Avg.	35 feet	27 feet	88 feet