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## America's First Oil Sands Project in Utah to Face Legal Challenges

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A plan to strip-mine oil sands crude on U.S. land for the first time in northeastern Utah is facing legal challenge.

Through a legal appeal, a pair of local environmental groups are working to overturn a decision earlier this month by John Baza, director of the Utah Division of Oil, Gas and Mining (UDOGM). He upheld a permit approval for a 62-acre mine in the remote Uinta Basin of the Colorado Plateau.

Should the legal option fail, the groups said they are determined to block the project – by whatever "peaceful" means.

"We're not willing to accept it," Tim DeChristopher, founder of the Salt Lake City-based environmental group Peaceful Uprising, told SolveClimate News. "If it means we have to blockade the site, we'll do what we have to do."

Peaceful Uprising and Living Rivers, a non-profit based in Moab, said they have 10 days from September 17 to appeal to the UDOGM board, and are now working to determine the legal grounds.

"I'm going to try my best to stop it," John Weisheit, founder of Living Rivers, told SolveClimate News.

### One Permit Away

The PR Springs mine — developed by Alberta, Canada-based by Earth Energy Resources (EER) — would produce 2,000 barrels per day by 2013 of coveted and often-maligned bitumen sludge embedded in the sandstone of Utah's red rock canyon.

Bids to stop EER began over a year ago, when UDOGM first granted the startup approval. But it's crunch time now. If Mr. Baza's latest greenlight sticks, EER would need one more "conditional use" permit from officials in Grand County to begin blasting for bitumen.

The mine would straddle the Uintah County-Grand County line. EER already received the okay from Uintah County, an oil and gas mining area.

But Grand County is home of Moab, a tourist town and popular base camp for outdoor enthusiasts. The county council "may be our best hope," said DeChristopher. The process is expected to take several months.

Ashley Anderson, an activist with Peaceful Uprising who is from Grand County, said he believes the project "could get blocked" there.

"A lot of its economy is based on tourism and having a very positive image of that area," he told SolveClimate News. "They don't want people to be viewing the area as a toxic waste dump."

### Oil Sands Slinging

Glenn Snarr, president and CEO of EER, told SolveClimate News that claims of environmental harm are not true. "Those in opposition often use speculative comment or inaccurate facts to raise the public fear," he said in an email.

To squeeze the tarry oil from stone, EER would use a patented citrus-based chemical solvent that it says would produce no toxic waste. Unlike in Canada's oil sands operations, its tailings would be made of stackable, "clean" and "saleable" sand, it says, and would not leave behind lakes of leftover water, bitumen and heavy metals that cover 65 square miles of forest and wetlands in Alberta.

"Our initial mine at 62 acres is very small, less than 10 percent the size of New York's Central Park. On this small plot, we will demonstrate the environmental efficacy of our process," Snarr said.

The plant is slated to operate 24 hours a day for seven years.

### **Water Worries**

Advocates concede that the Utah mine is not on the scale of the Alberta oil sands, which, among other things, have increased Canada's greenhouse gas emissions, destroyed pristine boreal forest and have been implicated in creating water contamination linked to rare cancers.

But the ecological danger in Utah is real, they say, especially to the state's fragile water supply. For every barrel of bitumen extracted, two barrels of water would be needed.

"We're in a dry state. To produce 2,000 barrels it's going to take 4,000 barrels of water, and that's all day, every day, seven days a week for 350 days a year, for seven years," Anderson said.

Opponents say the plant could deplete water from the local aquifer and taint the watershed of the Green River, a major tributary of the Colorado River.

"This is a watershed. They're going to rip it up. And they're going to put chemicals on it," Weisheit said. "If you ask the question, 'What's the worst thing you can do to the Colorado River?' This is it."

Sharr disagreed. "Our process ... is scaleable, allowing production volumes to match available water supply."

He added: "Water is contained in the damp dry clean sand that is continuously put back in the mine for reclamation, assisting revegetation."

The project has yet to receive water quality or air permits from federal agencies, which are needed because it will operate on Native American land.

If granted, Rob Dubuc, staff attorney at Salt Lake City-based Western Resource Advocates, said his group is "likely" to bring challenges to the Environmental Protection Agency and other relevant agencies.

### **10-Year Energy Plan**

Amid the bureaucratic and legal wrangling, Utah Gov. Gary R. Herbert is currently holding hearings to solicit public input on his 10-year "strategic energy plan."

The governor has vowed "to ensure that Utah is at the forefront of solving the world's energy challenges" and "promote energy efficiency and conservation."

Advocates want to drive home the point that approving oil sands operations now is inappropriate.

"It doesn't make sense to approve a new energy industry before it's done creating its ten year energy plan," Anderson said.

Ted Wilson, the governor's environmental adviser who's chair of the energy task force and a former mayor of Salt Lake City said "it is not clear whether [the mine] is a good step for Utah's economy."

"It is clear that alternative fuels in Utah will have to be practiced with much less water than current science estimates. And environmental reclamation will also have to be assured," he told SolveClimate News in an email.

### **Project's Fate**

In the end, the project's fate is likely to come down to economics, observers say.

"It is still Utah, and mining does still provide a whole lot of jobs," Juliana Williams of Living Rivers told SolveClimate News.

Dubuc said — as others have noted — that it is investors who will make or break the plant.

EER says that it is still looking to raise \$35 million to finance it.

"The litmus test for whether this is a viable project is whether someone is willing to write a check to underwrite this project. So far no one's been in willing to do that," Dubuc said. "This is a dicey business to be in."

For EER and the entire industry, the stakes are high.

Its permit now covers a 213-acre area, but the firm has leased a total of 5,930 acres of state land managed by School Institutional Trust Lands Administration.

Williams said a handful of other companies have bought mineral rights on bitumen-rich lands to compete with frontrunner EER and help open the domestic market for oil sands. A white paper by Utah industry said the state holds up to 32 billion barrels of oil sands crude, a little over half of nation's estimated bitumen reserves and a fraction of the 175 billion barrels locked

underground in western Canada. The rest is mainly in Colorado and Wyoming.

"This mine is a toe in the door of a huge monster," Anderson said. "[It] is attached to the entire industry."

For his part, Sharr remains confident. "We do believe our project will get off the ground, and that in turn we will demonstrate that the oil sands of Utah can be produced in an environmentally sustainable fashion."

*(Image: Peaceful Uprising)*

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