



News Center

In the news: JPM | GME | SHLD | ORCL | MEG | WMT

Groundwater at issue in Utah tar sands project

May 17, 2012 10:06 AM ET

By PAUL FOY

Share 1

SALT LAKE CITY (AP) - State regulators testified Wednesday that the first U.S. commercial oil sands operation won't pollute groundwater because the proposed strip mine is in an arid region of eastern Utah with no groundwater except at extreme depths.

That conclusion by regulators came under attack by the Moab-based environmental group Living Rivers, which is disputing Utah's approval for a water pollution permit in a trial-like hearing being conducted by an administrative law judge.

Regulators said the project site is isolated from nearby springs and seeps, and that test drills hit no groundwater until a depth of 1,800 feet under a pit that U.S. Oil Sands Inc. plans to dig this summer.

"It would take thousands of years for any water to travel through an unsaturated zone that thick, and even longer for contaminants to travel" the distance, said Robert Herbert, manager of groundwater protection for the Utah Division of Water Quality.

The hearing has drawn the attention of the oil industry, which is launching pilot projects to extract petroleum from tar sands and oil shale across parts of Utah and Colorado. Wednesday's testimony showed regulators were uncertain how to assess the potential environmental damage of extracting new and unconventional forms of petroleum.

Utah regulators said they quickly concluded U.S. Oil Sands couldn't possibly pollute any groundwater in a desert, and they offered the company a pro forma discharge permit without an independent or rigorous analysis.

"There's no evidence for any extensive quantities of groundwater," testified Mark Novak, an environmental scientist for the Division of Water Quality.

Living Rivers argues tar sands mining will leave behind solvents and petrochemicals in unlined waste pits and that snowmelt and rain will wash the toxins into the ground and spread pollution.

U.S. Oil Sands says a citrus-based solvent will leave the oil-soaked sands as clean as beach sand. The company said Wednesday any seeps in the area are just "damp spots" that quickly evaporate after rainfall.

U.S. Oil Sands plans to start digging a pit this summer in an area that contains gooey bitumen, a tar-like form of petroleum. Executives say they will produce 2,000 barrels of oil a day by next year, in the start of what could grow into a much larger operation. The company is raising money for the project from a special stock sale.

The Utah project is the "first commercial oil sands extraction project in the U.S.," said Cameron Todd, CEO of the Calgary, Alberta-based company. Todd said Utah's oil sands are sweeter or lighter with less polluting sulfur than in Alberta's vastly larger deposits.

Utah has an estimated 12 billion to 19 billion barrels of oil buried in its tar sands, though not all of that is considered accessible.

The state regulators appeared to struggle Wednesday in defending their position that no significant amount of groundwater ever visits the 62-acre site called PR Springs.

Herbert was often inconsistent under intense questioning, and he was admonished several times by the administrative judge for failing to give simple answers. Herbert initially claimed Utah has to protect only "useable" quantities of groundwater. But he later acknowledged state law protects any amount of surface or subsurface water.

The regulators said drilling logs by U.S. Oil Sands showed no evidence of groundwater, but under questioning they acknowledged the logs made no mention of the presence or absence of groundwater.

The company says it drilled 108 holes up to 305 feet deep without finding water, twice the depth of the proposed strip mine. The company also drilled deeper for a well but says it hit dry holes four times, with a fifth drill hole finally hitting



Feedback

YOUR RECENT NEWS SEARCHES

You don't have any recent news searches.

Create a custom news search

MOST REPORTED

STOCKS

JPMorgan Chase & Co (JPM)	53 Stories...
Facebook Inc (FB)	52 Stories...
Wal-Mart Stores Inc (WMT)	48 Stories...
Bank of America Corp (BAC)	38 Stories...
Apple Inc (AAPL)	31 Stories...



NEWS BY PROVIDER

MSNBC	The Wall Street Journal
The Associated Press	MarketWatch
Barron's	Bloomberg
Morningstar	The Motley Fool
TheStreet.com	Thomson Reuters
PRNewswire	Briefing.com
Business Wire	Seeking Alpha
InvestorPlace	GlobeNewswire
Marketwire	Top Stocks

RECENT QUOTES

WATCHLIST

After you search for quotes in the **Get Quote** box at the top of the page, they will appear here.

Sponsored by:

water 1,800 feet underground.

The hearing continues Thursday and is being broadcast at http://www.deq.utah.gov/Online_Services/deqwebcasts.htm .

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Share 1

RELATED VIDEOS

AdChoices 

Feedback

DATA PROVIDERS

Copyright © 2012 Microsoft. All rights reserved.

Quotes are real-time for NASDAQ, NYSE and AMEX. See delay times for other exchanges.

Fundamental company data and historical chart data provided by [Thomson Reuters](#) ([click for restrictions](#)). Real-time quotes provided by [BATS Exchange](#). Real-time index quotes and delayed quotes supplied by [Interactive Data Real-Time Services](#). Fund summary, fund performance and dividend data provided by [Morningstar Inc.](#) Analyst recommendations provided by [Zacks Investment Research](#). StockScouter data provided by [Verus Analytics](#). IPO data provided by [Hoover's Inc.](#) Index membership data provided by [SIX Telekurs](#).

Japanese stock price data provided by [Nomura Research Institute Ltd.](#); quotes delayed 20 minutes. Canadian fund data provided by [CANNEX Financial Exchanges Ltd.](#)