

March 20, 2008

BLM Oil Shale and Tar Sands Draft Programmatic EIS
Argonne National Laboratory
9700 S. Cass Avenue
Argonne IL 60439

RE: Utah Petroleum Association Comments – Oil Shale and Tar Sand Programmatic EIS

Dear Sir/Madam:

The Utah Petroleum Association (UPA) appreciates the opportunity to make comment regarding BLM's Programmatic Environmental Impact Statement (PEIS) for Oil Shale and Tar Sands. Specifically, **we support and are asking for BLM's approval of Alternative B in the PEIS.** UPA represents companies involved in all aspects of the oil and natural gas industry doing business in Utah. We believe the success of the oil shale and tar sands industry and the wise use of these critical natural resources will be paramount to the energy and economic well being of the citizens of Utah and the nation as a whole. We encourage your wise and thorough review of the many issues surrounding oil shale and tar sands development and then your approval to move this industry forward. Utah, as well as the entire United States, critically needs the energy that is contained within these resources.

UPA supports the wise and prudent development of all types of energy resources in Utah and across the country. We believe it is critical that BLM recognize and promote that unconventional energy resources are, and will be for decades into the future, a vital part of meeting our state and nation's growing energy needs. This PEIS is extremely important as it will consider how much of this resource will be available for commercial leasing. The PEIS will play a critical role in moving towards a commercial leasing program and allowing and encouraging companies to plan for future investments in this important energy arena. While we support thorough analysis, we are concerned that the multiple NEPA processes contained within the PEIS will prove cumbersome and inefficient in terms of time and resources required and will be problematic for operators who have made significant investments in proprietary technology. Provisions contained within the PEIS may likely result in an extremely long and complex leasing process which would possibly force operators into disclosing expensive proprietary technology before they actually have received a lease. UPA believes strongly that BLM should remove these requirements and allow companies who have invested enormous capital in developing new and innovative technologies to assume the benefits of such investments without fear of losing such an advantage due to bureaucratic or other roadblocks.

UPA expresses concern that the PEIS outlines a large number of very broad mitigation and conservation measures that are not appropriate for the programmatic EIS stage and are better decided once specific projects are proposed and a site-specific NEPA review is conducted. This will allow both BLM and operators to understand and mitigate actual concerns rather than a "one size fits all" approach in the PEIS. We believe both BLM and

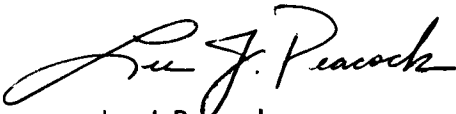
industry would be better served by such an approach. While we applaud the thorough analysis of potential impacts caused by oil shale and tar sands development, we are concerned the PEIS may overstate such impacts without considering the extensive and broad universe of existing local, state and federal regulatory and permitting programs. UPA believes it unwise to stack regulations on top of each other, causing unnecessary compliance costs and time delays in the development of these resources. We are also concerned that the PEIS is inconsistent in its recognition of valid conversion rights for the RD&D leases previously granted by the BLM.

The oil shale resources in Utah, Colorado and Wyoming are conservatively estimated at over a trillion barrels. The magnitude of the impact to these three states and the nation as a whole cannot be overstated. The wise and prudent development of these resources will provide much needed energy and help reduce America's reliance on less stable sources. This domestic energy resource will create jobs and beneficial economic activities in mostly rural areas of these states where economic development is critically needed. The revenues derived from development will help fund local, state and federal budgets, reducing the need to increase taxes in other areas and helping fuel growth and development of these rapidly growing states. Most importantly, development of these resources will provide our nation with a domestic energy source that will be a critical component in allowing us to retain a quality of life and level of economic well being that is so important to our citizens.

In summary, UPA supports Alternative B in the PEIS. It is the only alternative that realistically provides an opportunity for oil shale and tar sands development. Alternative C is overly restrictive and would allow development only on small non-contiguous parcels. Alternative A obviously is the "no action" alternative and would not provide for oil shale or tar sands leasing on federal lands. UPA and its member companies support the development of oil shale and tar sands resources within the scope of the PEIS. We believe such development can be accomplished in an environmentally responsible and socially sustainable fashion.

Again, we thank BLM for the opportunity to comment and look forward to moving development of critical resources forward.

Sincerely,



Lee J. Peacock
President
Utah Petroleum Association

Cc: Selma Sierra, Utah State BLM Director
Utah's Congressional Delegation