

EI-30210

National Oil Shale Association

September 2, 2019

Subject: Docket No. FD 36284, Uinta Basin Railway

Attention: Joshua Wayland, Surface Transportation Board

The National Oil Shale Association represents companies and landowners that are interested in developing the rich oil shale resources found in the Uinta Basin of Utah and the Piceance Creek Basin of western Colorado. For the past 100 years interest in these oil shale resources has peaked and then waned depending on the price of oil and supplies available to the United States. Even though oil shale is processed in other countries, like Brazil, Estonia, and China, there is not a commercial plant in the United States, even though the richest deposits in the world occur in this region of Utah and Colorado.

The construction and operation of a commercial oil shale mine and processing plant in the Uinta Basin would create thousands of high paying jobs, generate huge royalties and tax revenues, and provide enhanced economic stability to the region. A typical oil shale operation has a life exceeding 30 years. The Basin could conceivably have multiple operations running concurrently.

One of the obstacles facing these capital-intensive oil shale projects in the Uinta Basin has always been the logistics. Transporting the huge pieces of mining equipment and plant equipment is impractical on the two-lane roads that service the area. A railway into the region would greatly reduce these constraints and significantly lower the up-front capital cost of the facilities. It would also dramatically reduce the cost of operational supplies over the 30-year life of an operation.

In the past potential developers have also faced the problem of getting the heavy, crude shale oil to market. Crude shale oil is not a desirable feedstock for the Salt Lake City refineries. To make it acceptable, the shale oil must go through an expensive secondary upgrading process known as hydrotreating. But, even then with the upgraded oil, the Salt Lake City refineries are operating at capacity and it would be difficult to tap into that market.

Potential developers have all thought that a great market for the Uinta Basin crude shale oil exists in the Gulf Coast region. That is reinforced today as there is a shortage of this type of oil for refinery feedstock and shale oil from the Uinta Basin would be an excellent complement to the waxy oil now produced in the Basin.

The National Oil Shale Association strongly supports the Seven County Infrastructure Coalition's efforts to construct the Uinta Basin Railway into this region, which is rich with natural resources that could be developed for the economic benefit of the citizens of the area.

September 2, 2019

Respectfully,

Gary D. Aho
Executive Director
National Oil Shale Association
970-618-0294
oilshaleus@gmail.com
www.oilshaleassoc.org