

State of Utah

Department of Environmental Quality

Dianne R. Nielson, Ph.D. Executive Director

DIVISION OF WATER QUALITY Walter L. Baker, P.E. Director JON M. 1 TSMAN, JR.

Governor

GARY HERBERT Lieutenant Governor

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December 15, 2005

Mr. Page Van Loben Sels Earth Energy Resources, Inc. 8013-110 Street Grande Prairie A.B. T8W 6T2 Canada

Dear Mr. Van Loben Sels:

Subject: Tar Sands Pilot Project tailings

Earth Energy Resources is currently conducting a pilot project on processing tar sands in Grand County, Utah. To evaluate potential environmental impacts of disposing tailings from this project, at our request Earth Energy Resources had American West Analytical Laboratories extract leachate from a sample of the tailings using the Synthetic Precipitation Leachate Procedure (SPLP) and analyze it for Total Recoverable Petroleum Hydrocarbons (TRPH) and TCLP metals. The results of this analysis indicate nondetectible levels of TRPH and all TCLP metals except barium in the leachate.

For a pilot project of this scale, disposal of the tailings according to procedures approved by the Division of Oil, Gas and Mining should not result in contamination of ground or surface water. However, if Earth Energy Resources decides to expand the pilot project or go into production, more extensive testing of leachate from the tailings would be necessary for the Division of Water Quality to determine an appropriate regulatory action for such a large-scale operation.

Please contact me if you have any questions.

Sincerely,

MTN

Mark Novak, P.G. Ground Water Protection Section

cc: Dave Ariotti, District Engineer Tri-County Health Dept.

Susan White, DOGM

Kiran Bhayani

MNOVAK/WP/EARTHENRESPILOT.LTR