

Sunnyside May Get Fuel Jobs

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Special to The Tribune

SUNNYSIDE, Carbon County — The blow received by this small eastern Utah town when the U.S. Steel mine in Horse Canyon shut-down will be softened if plans of two giant tar sands developers materialize.

The developers are Chevron Resources Co., San Francisco, and GNC Energy Corp. The plan calls for a project that could employ as many as 1,000 workers by the end of the decade.

The plan was announced following an agreement, signed by the two companies whereby Chevron purchased 51 percent of the GNC project. According to Steve Coffey of Chevron, GNC did not have the managerial expertise or the financial capability by itself. "The SFC said they had to find a partner," Coffey said.

In referring to the 2,000-acre project, Chevron's Ken Castleton said, "Of all the tar sands deposits in the United States, this probably has a better chance of success than any we're aware of." He went on to explain that tar sand is a mineral impregnated with bitumen, a tar-like asphalt material, which can be refined into a synthetic crude oil.

He said the 8 percent bitumen by weight of the Sunnyside deposit could yield up to 1 billion barrels a day of the synthetic substance, "which compares well with a recent find off the coast of California which is said to be the largest find since Prudhoe Bay."

Three Phases

Mr. Castleton said a three-phase program would be started that would claim 80 to 90 of the bitumen and would be at full-scale production by 1990.

The first phase, according to company officials, calls for drilling and then evaluating the mineral at the cnc plant in Salt Lake City. The evaluation process involves a relatively new technology that subjects tar sands to a flotation-extraction process, delayed coking and hydrotreating. The result is what Castleton calls "a high-grade feed material for petroleum refineries."

Phase I should last a little over a year, with phase II resulting in the construction of a pilot plant, possibly in 1985. The semi-commercial plant could produce 1,000 to 1,500 barrels a day of the man-made crude oil.

Officials said the tar sand will be extracted from the ground by drilling and blasting then transported via conveyer belt to a nearby mill. At the mill, 70 percent of the waste material will be removed by a flotation process. Then through a solvent extraction process, a product which is 90 percent bitumen would result. This product will then be shipped to the refinery in Salt Lake City for hydro treating and production of the feed material, which the refineries will use.

Surface Mine

Phase II calls for a large surface mine to be constructed on the northwest ridge and possibly the southeast ridge of the property.

When in full production, the facility will produce 20,000 to 35,000 barrels a day of synthetic crude oil from 100,000 tons of ore a day.

Although excited about its possibilities, company officials are aware that stable, or even lower oil prices threaten the future of most synthetic oil projects such as this. Program specialist Rich Anderson added, "The price of crude oil has leveled off and the rate of return has been reduced as synfuel development does not provide enough incentive for large-scale private investments."

The project has also been threatened by the restricted funds furnished by the Synthetic Fuels Corporation, organized by Congress, and by fierce competition for the money that the organization does provide.