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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

February 6, 2012

Cameron Todd, Chief Executive Officer
U.S. Oil Sands Inc.
#950, 633-6th Avenue SW
Calgary, Alberta TSP 2Y5
Canada

Dear Mr. Todd,

The Governor has asked me to respond to your recent letter concerning delays in our permitting process due to legal challenges. I realize that permitting a large mine is a complicated process, and appreciate your helpfulness in getting all of the necessary information in place. I am pleased to know that you found our people to be to be helpful.

You are correct that our current process seems to allow for redundant reviews and appeals at the end of the permitting process. We have recognized the problem, and feel that we have some good ideas to improve public input opportunities without unnecessary delay. We would like to have the public notice and comment period at the beginning of the process, which would allow interested parties to voice their concerns. We would then incorporate the relevant comments and concerns into our technical review.

We have suggested some changes to the Mined Land Reclamation Act (UCA Title 40-8) to one of our Legislators. He understands the problem and has offered to help. However, because we are already two weeks into the 2012 Legislative Session, we are not sure if he will be able to push forward with a bill in this session.

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UTAH DNR OIL, GAS & MINING

For now, we must act according to current statutes and rules. We have strived to move as quickly as possible with hearings before the Division and the Board, and will continue to do our best to be timely and fair.

Sincerely,

Dana Dean, P.E.
Associate Director-Mining

DD/vs
cc: Governor's Office
John Baza, Director
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