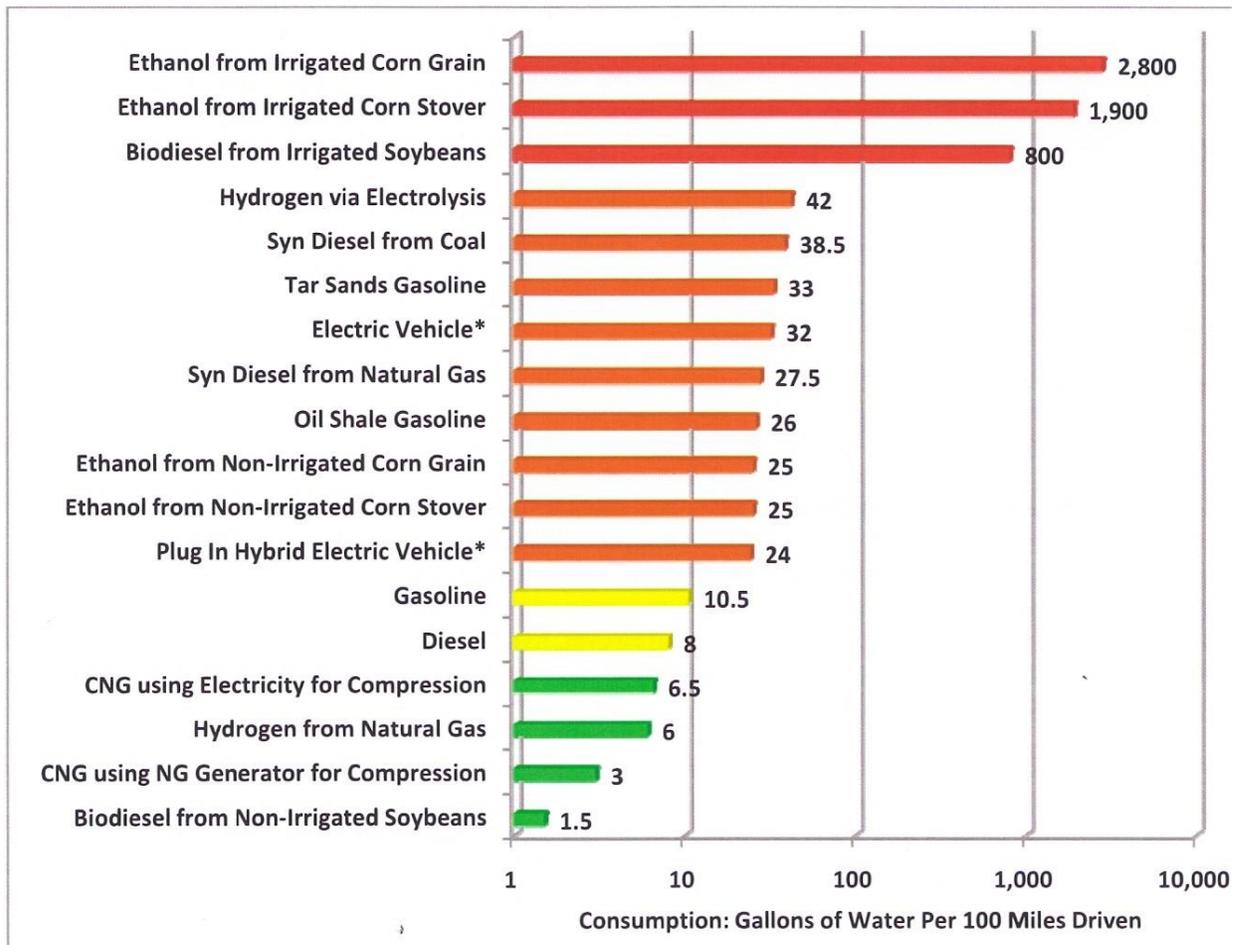


## WATER

Water is a precious commodity, particularly in the west where most of the U.S. oil shale deposits are located. There are competing water demands in the oil shale region, including the needs of municipal, agricultural, recreational and industrial interests. Water is necessary for producing shale oil. Compared to many other energy sources, the production of shale oil is not one of the largest consumers of water (see chart below from the U.S. Department of Energy). Ethanol from irrigated corn uses 100 times the water required to produce gasoline from shale oil.



Many oil shale developers have already acquired water rights that will enable them to satisfy the requirements of their projects. Water pipelines, storage and treatment facilities will be required to provide uninterrupted and reliable supplies of water to commercial oil shale projects. Due to the arid nature of the west, storage of water during the snow melt period is required to assure a supply during the dry period of the year. Many water experts believe that more multiple use public/private water storage reservoirs are needed, especially in light of some current climate change projections.

With proper management of the water resources, development of water saving technologies, and the development of water storage and diversion projects, there can be sufficient water in the future for all users. The amount of water required for oil shale projects is well known even though it varies with the technology employed and the water content of the resource. Current research, development and demonstration projects will further refine the overall needs for water for each technology.

Water is not the issue that will make or break oil shale development, but misleading information from some groups is leading the public to think it is. Water will be used sparingly, and alternate supplies can be used to reduce the required amount. Water used for oil shale development is a beneficial use that will create jobs, spur economic development, and enhance U.S. energy security.