AFTER FOURTEEN YEARS

REQUEST FOR EXTENSION OF TIME TO FILE PROOF OF BENEFICIAL USE

STATE OF UTAH

WATER RIGHT NO. **49-2274 (A30414dae)** APPLICANT: **US Oil Sands (Utah) Inc. - user**
Suite 950, 633-6th Avenue SW
Calgary, Alberta, Canada T2P 2Y5

Provide all information requested below:

Construction completed to date:

In 2011, the company drilled five separate wells to locate a suitable acquifer to supply water. The fifth hole encountered water over a 400' interval. This well was cased and perforated, but a pump test could not be completed due to the onset of winter. The water well drilling program amounted to approximately $1 million of $6 million spent at the project site over the 2011 summer program.

Work completed since last extension:

Since the last extension, five water wells were drilled at the project site to explore for a suitable aquifer to supply water granted under the right. In addition, the company completed a deep resistivity program - controlled source audio-frequency magnetotellurics - at the project location to gain better understanding of the local geology and high grade targets to intercept the aquifer.

Reasons why the project has not been completed:

This water right was obtained to supply water to a bitumen extraction processing facility at the location. DOGM granted approval to the company's Notice of Intention to Conduct Large Mining Operations on September 19, 2009 and the company has been moving forward aggressively since then to construct and operate the project. Detailed engineering is underway for the design and fabrication of the processing equipment and facilities. The company conducted a 180 well coring program to better delineate bitumen resources in the area and provide data for the detailed mine design. A mine engineering company (Norwest) is actively engaged in the detailed mine design.

Estimated time for completion of project:

Currently, US Oil Sands (Utah) Inc. is targeting start-up for the project in the third quarter of 2013. In the event that any unforeseen circumstances arise, we request that an extension of five years be granted to file proof of beneficial use. The company is subject to two separate challenges to permits issued by the Utah Division of Oil, Gas & Mining and by the Utah Division of Water Quality.

Pursuant to Section 73-3-12, Utah Code Annotated 1953 (as amended), request is made for EXTENSION OF TIME to file proof of beneficial use. I assert that to the best of my knowledge all information provided herein is true and complete. By signing this form, I assert that I am the applicant or I have been granted authority to make this request on behalf of the applicant.

Barclay Cuthbert	30 APRIL 2012	(403) 233-9366 x 3
APPLICANT or REPRESENTATIVE (signature)	Date	Telephone Number (Optional)
BARCLAY CUTHBERT	VICE PRESIDENT, OPERATIONS	
APPLICANT or REPRESENTATIVE (print)	REPRESENTATIVE'S TITLE	

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$150 FEE RECD. V# 1142 BY SC RECEIPT NO. 12-01676 COMPUTER _____

PROOF DUE DATE: **May 31, 2012** 14 YEAR PERIOD ENDED: **October 6, 1973**

50 YEAR PERIOD ENDS: **October 6, 2009**

RECEIVED
MAY 04 2012
WATER RIGHTS
SALT LAKE

REMARKS: