180 Million Barrels of Utah Oil Sands Resource Under Development by Sky Quarry

15:00 Uhr | CNW

Issued on behalf of Sky Quarry, Inc.

A Utah oil sands resource with a constructed processing facility, a $35-per-barrel target production cost, and direct integration with America's only Nevada refinery - Sky Quarry just opened the door to partners

USA News Group News Commentary - When a small-cap energy company opens up a 180-million-barrel oil sands resource to outside partners, the announcement is rarely subtle. When that resource sits on a fully permitted Utah site with a constructed processing facility already in place, an estimated $35-per-barrel production cost, and direct integration potential into the only operating refinery in the State of Nevada, the announcement deserves a closer look.

Key Takeaways

- Sky Quarry, Inc. (NASDAQ: SKYQ) has issued a Request for Proposals to engage partners in accelerating development and commercialization of its approximately 180-million-barrel oil sands resource at the fully permitted PR Spring facility in the Uinta Basin of Utah.1
- The PR Spring asset spans approximately 5,900 acres and includes a constructed processing facility representing approximately $60 million in prior investments, with prior engineering work showing approximately 1.5 million tons per year of feedstock processing capacity, an estimated production cost of approximately $35 per barrel, and an estimated 2,000 barrels-per-day heavy oil capacity when fully developed.1
- Sky Quarry holds 100% working interest in the asset and estimates incremental capital expenditure of $4 to $5 million to reach production readiness - with potential integration directly into Sky Quarry's existing 5,000-bpd Foreland Refinery in Nevada, the only operating refinery in the state.1,2
- The RFP follows a series of strategic announcements in 2026 - including a January 2026 RFP to monetize 7 megawatts of installed surplus turbine generation at the same site, a January 2026 completion of system upgrades at Foreland, and an April 2026 press release positioning the Company within the Trump administration's Presidential Determinations on domestic refining capacity under the Defense Production Act.3,4,5
- The Q1 2026 earnings cycle for major U.S. refiners - including Valero (NYSE: VLO), HF Sinclair (NYSE: DINO), Par Pacific (NYSE: PARR), and Delek US (NYSE: DK) - confirmed a structurally tight refining margin environment, with U.S. independent operators citing constrained global capacity and disciplined demand.6,7,8,9

That is what Sky Quarry, Inc. (NASDAQ: SKYQ) disclosed in late April and early May 2026. The Company issued a Request for Proposals (RFP) to engage partners "seeking to accelerate development and commercialization" of approximately 180 million barrels of oil sands resource at its PR Spring facility, located near Vernal, Utah, in the Uinta Basin - one of Utah's primary oil and natural gas producing regions.1

The May 4, 2026 press release supersedes a version originally issued on April 29, 2026 and includes additional detail on the partnership structure in response to questions received from the market. According to Sky Quarry, the PR Spring asset has a number of features that distinguish it from the typical small-cap upstream development opportunity:

- Approximately 5,900 acres of permitted land in the Uinta Basin
- A constructed processing facility representing approximately $60 million in prior investments
- Approximately 1.5 million tons per year of feedstock processing capacity (per an August Brown, LLC feasibility study from October 2022)
- Approximately $35 per barrel estimated production cost
- Approximately 2,000 barrels per day heavy oil capacity when fully developed
- 100% working interest held by Sky Quarry

- Estimated $4 to $5 million in incremental capital expenditure to reach production readiness
- Potential integration with Sky Quarry's Foreland Refinery in Nevada - the only operating refinery in the state - for downstream processing1

The configuration is unusual for a company of Sky Quarry's size. Most small-cap energy operators in the United States either hold upstream resource without downstream processing capacity, or operate downstream assets dependent on external feedstock supply. Sky Quarry holds both - and the PR Spring RFP is structured to bring in development capital and operational expertise without surrendering the integrated structure.

The Federal Policy Backdrop

Sky Quarry's RFP arrives inside a federal policy environment that has shifted meaningfully in favor of domestic refining and energy infrastructure. On April 20, 2026, the White House issued a series of Presidential Determinations under Section 303 of the Defense Production Act of 1950, directing federal authorities to support and accelerate the development, manufacturing, and deployment of large-scale energy infrastructure - including domestic petroleum refining capacity - as essential to national defense and energy reliability.10

Three days later, Sky Quarry issued a press release positioning itself within that framework, citing the Foreland refinery as a "scarce, fully permitted and recently upgraded asset" in a constrained Western U.S. fuel market.5 The Foreland refinery had just completed system upgrades - boiler system work, vacuum unit condenser replacements, process piping and tank repairs, and restoration of the water-oil separation system - completed in late January 2026.4

For investors evaluating the PR Spring RFP, the federal policy backdrop is one piece of a larger thesis. The other pieces are the Q1 2026 refining margin environment, the structural tightening of West Coast supply, and the operating performance of comparable U.S.-listed refining peers.

The Q1 2026 Refining Cycle

Valero Energy (NYSE: VLO) delivered Q1 2026 adjusted EPS of $4.22 against a $3.16 consensus, with the refining segment posting $1.8 billion of operating income compared to a $530 million operating loss in Q1 2025. Refining throughput averaged 2.9 million barrels per day, and refining margin per barrel of throughput rose to $14.90 from $9.78. Valero operates 14 refineries across the U.S., Canada, and the U.K. with combined throughput capacity of approximately 3.0 million barrels per day. Management commentary cited "constrained global refining capacity and low product inventories in key markets" as factors expected to continue supporting refining fundamentals.6,11

HF Sinclair Corporation (NYSE: DINO) operates seven refineries with total crude oil throughput capacity of approximately 678,000 barrels per day, distributed across the Mid-Continent, Southwest, Rocky Mountain, and Pacific Northwest regions. The Company has stated that its refining system is structured around "premium product distribution areas versus Gulf Coast" - a framing that acknowledges geographic positioning is a meaningful margin variable in the current environment.7

Par Pacific Holdings (NYSE: PARR) operates 219,000 barrels per day of refining capacity across four facilities in Hawaii, Montana, Washington, and Wyoming, with a distillate-oriented yield profile. In its Q1 2026 results released May 5, 2026, Par Pacific reported total refining throughput of 184,000 barrels per day (up from 176,000 in Q1 2025), record quarterly Hawaii refining throughput of 89.8 thousand barrels per day, net income of $54.5 million (or $1.10 per diluted share), and the commercial start-up of its Hawaii renewable fuels facility in April 2026. The Company has emphasized its Pacific Northwest, Rockies, and Hawaii positioning as a structural margin advantage.8

Delek US Holdings (NYSE: DK) operates four refineries in Tyler and Big Spring, Texas; El Dorado, Arkansas; and Krotz Springs, Louisiana, with combined nameplate crude throughput capacity of 302,000 barrels per day. Delek has been advancing its Mid-Continent and Gulf Coast positioning in a structurally constrained U.S. refining environment.9

Capacity Comparison

Operator	Listing	Combined Capacity	Geographic Footprint
Valero Energy	NYSE: VLO	~3,000,000 bpd	14 refineries (US, Canada, UK)
HF Sinclair	NYSE: DINO	~678,000 bpd	7 refineries (Mid-Continent, West, Pacific NW)
Delek US	NYSE: DK	302,000 bpd	4 refineries (TX, AR, LA)
Par Pacific	NYSE: PARR	219,000 bpd	4 facilities (HI, MT, WA, WY)
Sky Quarry	NASDAQ: SKYQ	5,000 bpd	1 refinery (NV)

This is a comparison of business model, not market capitalization or operating scale. Sky Quarry is materially smaller than each of these peers across every quantitative metric. What's distinctive is the integrated structure: Sky Quarry holds upstream resource (PR Spring oil sands), midstream waste-to-energy technology (the proprietary ECOSolv process), and downstream operating capacity (Foreland refinery in Nevada). Few independent U.S. refiners have all three - and none of them, at Sky Quarry's scale, have a freshly opened 180-million-barrel oil sands resource sitting in front of a federal policy environment that's actively prioritizing domestic refining.

The PR Spring Resource - Why $35/bbl Matters

The $35-per-barrel estimated production cost cited in the Sky Quarry RFP deserves scrutiny because that's a number that would compete with Permian breakeven economics if achieved at scale. The figure comes from prior engineering and feasibility work, including the August Brown, LLC feasibility study from October 2022, and reflects expectations for production economics at full development - not current operating costs.1

For comparison, Western Canadian heavy oil production has historically run between $25 and $40 per barrel depending on the asset and the producer. U.S. shale producers have reported breakeven costs ranging from $35 to $60 per barrel depending on basin and operator. A Utah oil sands resource at $35 per barrel - if achieved - would sit at the low end of that range, with the additional benefit of pipeline-free integration directly into a Western U.S. refinery operated by the same company.

The PR Spring site already has a constructed processing facility worth approximately $60 million in prior investment.1 Sky Quarry's incremental capital requirement to reach production readiness is estimated at $4 to $5 million - a figure that reflects how much of the heavy lifting has already been done. The RFP isn't a request for greenfield financing. It's a request for partners to accelerate the final stage of commercialization on an asset that's been in development for years.

The Foreland Integration Pathway

Sky Quarry has flagged potential integration of PR Spring heavy oil with the Foreland Refinery in Nevada as a key value driver. Foreland is a 5,000-bpd refinery - the only operating refinery in the State of Nevada - that processes heavy crude into diesel, vacuum gas oil, naphtha, and liquid paving asphalt. The refinery serves Western U.S. markets including Nevada's precious metals mining and lithium production industries.2

For an upstream development partner, the Foreland integration creates a vertically integrated downstream pathway that doesn't depend on third-party logistics or external refining capacity. PR Spring heavy oil → Foreland refining → finished products into Nevada and Mountain West markets is the integrated thesis. It's a structure that reduces logistics risk, eliminates third-party processing fees, and creates direct line-of-sight from feedstock to finished product margins.

Why This Article Exists

The PR Spring RFP is a meaningful event in Sky Quarry's commercialization timeline. Combined with the

January 2026 RFP for the 7 MW power capacity at the same site, the January 2026 completion of system upgrades at Foreland, the April 2026 federal policy positioning around the Defense Production Act, and the May 2026 multi-party MOU with Southern Energy Renewables and DevvStream, the Company has produced a steady cadence of value-creating announcements over a five-month window.3,4,5,12

For research and additional commentary on Sky Quarry, Inc. (NASDAQ: SKYQ), including ongoing coverage of the PR Spring RFP partnership process, click here to access the full investor briefing.

Frequently Asked Questions

Q: What is the PR Spring oil sands resource? PR Spring is a Utah oil sands development site held 100% by Sky Quarry, Inc., located near Vernal in the Uinta Basin. The resource is estimated at approximately 180 million barrels, the site spans approximately 5,900 acres, and it includes a constructed processing facility representing approximately $60 million in prior investments.1

Q: What is the Sky Quarry Request for Proposals? Sky Quarry issued an RFP in late April 2026 (initial release April 29, 2026; superseding release May 4, 2026) seeking partners to accelerate development and commercialization of the PR Spring asset. The RFP is non-exclusive and Sky Quarry retains 100% working interest in the asset.1

Q: What is Foreland Refining? Foreland Refining Corporation is a wholly-owned subsidiary of Sky Quarry that operates the Eagle Springs facility in Railroad Valley near Ely, Nevada. It is the only operating refinery in the State of Nevada, with permitted capacity of approximately 5,000 barrels per day.2

Q: What is the estimated production cost at PR Spring? Per Sky Quarry's RFP, prior engineering work indicates an estimated production cost of approximately $35 per barrel. This figure reflects expectations at full development based on prior feasibility studies (including an August Brown, LLC feasibility study from October 2022), not current operating costs.1

Q: How does PR Spring fit with Sky Quarry's other assets? Sky Quarry has flagged potential integration of PR Spring heavy oil production directly into the Foreland Refinery in Nevada - creating a vertically integrated upstream-to-downstream pathway from Utah feedstock to Western U.S. finished products.1,2

Numbered Citations

1. Sky Quarry Inc., "Sky Quarry's 180-Million-Barrel Oil Sands Asset Subject to RFP for Accelerated Commercialization," ACCESS Newswire, May 4, 2026 (supersedes April 29, 2026 release).
2. Sky Quarry Inc., corporate disclosures (skyquarry.com); "Sky Quarry Unlocks Strategic Value at 5,000 Barrels-Per-Day Foreland Refinery with Completion of High-Impact System Upgrades," ACCESS Newswire, January 27, 2026.
3. Sky Quarry Inc., "Sky Quarry Seeks Partners to Monetize Its 7 MW Power Capacity," ACCESS Newswire, January 13, 2026.
4. Sky Quarry Inc., "Sky Quarry Unlocks Strategic Value at 5,000 Barrels-Per-Day Foreland Refinery," ACCESS Newswire, January 27, 2026.
5. Sky Quarry Inc., "Sky Quarry Positioned to Benefit as Trump Administration Prioritizes Domestic Refining Capacity," ACCESS Newswire, April 23, 2026.
6. Valero Energy Corp., "Valero Energy Reports First Quarter 2026 Results," Form 8-K, April 30, 2026.
7. HF Sinclair Corporation, Form 8-K Investor Presentation, March 2026; HF Sinclair 2025 Annual Report.
8. Par Pacific Holdings, "Par Pacific Holdings Reports First Quarter 2026 Results," GlobeNewswire, May 5, 2026; Par Pacific corporate disclosures (parpacific.com).
9. Delek US Holdings, "Delek US Holdings Reports Fourth Quarter 2025 Results," Business Wire, February 27, 2026.
10. The White House, "Presidential Determination Pursuant to Section 303 of the Defense Production Act of 1950, as Amended, on Domestic Petroleum Production, Refining, and Logistics Capacity," April 2026.
11. Valero Energy Corporation, Q1 2026 earnings call transcript, April 30, 2026.
12. Sky Quarry Inc., "Sky Quarry Enters Strategic Multi-Party MOU to Advance Next-Generation Fuel Technologies," ACCESS Newswire, May 7, 2026.

Article Source: USA News Group

DISCLAIMER / DISCLOSURE:

USANewsGroup.com ("USA") is a wholly-owned subsidiary of Market IQ Media Group, Inc. ("MIQ"). This communication is for digital media distribution purposes only. MIQ has been paid a fee by Creative Direct Marketing Group ("CDMG") for digital media distribution and original content production related to Sky Quarry, Inc. on behalf of Sky Quarry, Inc. The owner/operator of MIQ does not currently own any shares of Sky Quarry, Inc. but reserves the right to buy and sell, and will buy and sell shares of Sky Quarry, Inc. at any time without any further notice commencing immediately and ongoing. The communications between MIQ and Sky Quarry, Inc. and the related compensation arrangements between MIQ, CDMG and Sky Quarry, Inc. have been reviewed and approved on behalf of Sky Quarry, Inc. by CDMG.

This article was reviewed and approved on behalf of Sky Quarry, Inc. by CDMG, and also directly from the Sky Quarry Inc.

Owners, employees, and agents of USA and MIQ are not registered broker-dealers or investment advisors. The information contained in this communication is not, and should not be construed as, investment advice, an offer to sell or a solicitation of an offer to buy any security. The information contained in this communication is current at the date of publication and is provided in good faith from sources believed to be reliable, but its accuracy and completeness cannot be guaranteed. Readers should conduct their own due diligence and consult with a registered broker-dealer or financial advisor before making any investment decision.

This communication contains forward-looking statements within the meaning of applicable U.S. securities legislation. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation: market and commodity price volatility; legal and regulatory risks; risks of being a small-capitalization company; the volatility of microcap and small-cap securities; risks associated with U.S. listing requirements; reliance on a single operating refinery; risks associated with operating in regulated U.S. energy markets; geopolitical risks; risks associated with development-stage assets; and risks of changes in U.S. federal and state energy policy. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this communication.

This article references Sky Quarry, Inc.'s Request for Proposals to engage partners in accelerating development of the PR Spring oil sands asset. Independent investors should understand that the RFP is a non-binding solicitation of interest. There is no guarantee that any partnership transaction, joint venture, or development financing will result from the RFP process, or that any specific commercial terms will be agreed. Estimated production costs ($35 per barrel) and incremental capital requirements ($4 to $5 million) are based on prior engineering and feasibility work and are subject to change. The PR Spring resource estimate (approximately 180 million barrels) is based on prior technical reports and does not constitute proved reserves.

Comparable companies referenced in this article (Valero Energy, HF Sinclair, Par Pacific, and Delek US) are presented for context purposes only. Sky Quarry, Inc. is materially different from each of these comparables in terms of market capitalization, refining throughput, leverage, and operating scope. Past performance of any comparable does not guarantee future performance of Sky Quarry, Inc.

By reading this communication, the reader acknowledges that they have read and understand this disclaimer and the risks identified herein.

Contact: editor@usanewsgroup.com | Sky Quarry, Inc. (NASDAQ: SKYQ) | usanewsgroup.com/skyq-landing

Logo: https://mma.prnewswire.com/media/2838876/5656770/USA_News_Group_Logo.jpg

View original content:https://www.prnewswire.com/news-releases/180-million-barrels-of-utah-oil-sands-resource-under-development

SOURCE USA News Group