



Oil Shale News

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Quotable Quotes

"DOE will proceed at a more deliberate approach."

[Alan Gilbert, Special Counselor to Interior Secretary Ken Salazar, Natural Resources Law Center Oil Shale Symposium, 2/5/10](#)



"Commercial oil shale development would transform western Colorado communities."

[Bart Miller, Western Resource Advocates, Natural Resources Law Center Oil Shale Symposium, 2/5/10](#)



"We are skeptical and everyone should be skeptical that oil shale will be productive in our lifetime."

...

From the President's Desk

With oil shale, are we chasing a mirage? That was one of the questions posed at a recent University of Colorado [Natural Resources Law Center \(NRLC\) oil shale symposium](#). The symposium presented a broad spectrum of perspectives and ideas, bringing together approximately 100 people ranging from conservationists to industry representatives. Out of the lively debate, four themes emerged that warrant further examination and discussion:

1. **Even if current oil shale research proves successful, commercial leasing would still be 15-20 years in the future** and it would be decades more before there is any significant production.
2. **Commercial development should not happen unless it is technically, economically, environmentally and socio-economically feasible** and many important questions are resolved first.
3. Production will require **huge amounts of energy and water**.
4. **Additional research and development is appropriate** to better understand the scope and magnitude of the impacts of commercial development.

Importantly, as Alan Gilbert, the newly-appointed regional counselor to Interior Secretary Ken Salazar noted at the symposium, this administration is approaching oil shale at a deliberate pace. With many critical questions unanswered about oil shale, WRA continues to support the Secretary's approach, one that emphasizes research over premature commercial leasing.

Sincerely,

[Karin P. Sheldon](#)
WRA President

"The less you know about a technology the cheaper it is."

[Jim Bartis, RAND Corporation, Natural Resources Law Center Oil Shale Symposium, 2/5/10](#)



"There is no oil shale industry and there has never been one in the US."

[Glenn Vawter, National Oil Shale Association, Resources Law Center Oil Shale Symposium, 2/5/10](#)



"With oil shale we are chasing a mirage."



"Oil Shale is thermodynamic insanity."

[Randy Udall, Natural Resources Law Center Oil Shale Symposium, 2/5/10](#)



"The LCFS [Low Carbon Fuel Standard] would essentially ban imports to California of fuels derived from unconventional sources such as oil sands from Canada, oil shale from the Western U.S., or domestic coal supplies that can be converted into transportation fuels."

[Rich Moskowitz, American Trucking Association](#)



"[LCFS] is a critical tool to help us break our dependence on fossil fuels. Our analysis shows that **producing alternative fuels under this standard can save consumers as much as \$11 billion over the next decade**, and that's in California alone."

[Mary Nichols, Chairperson, CA Air Resources Board, responding to Rich Moskowitz](#)

On the Front Burner: RD&D Leasing

Thanks to digging by intrepid reporters, we now know that three companies – [ExxonMobil](#), [AuraSource](#), and [Natural Soda](#) – submitted lease nominations for the second round of RD&D leases. As WRA had been forecasting, there was limited interest in new RD&D leases. The primary reason, WRA believes, is that there are ample private lands on which to test technologies, and the economics of oil shale continue to stack-up against development.

In the coming months, interdisciplinary teams representing federal and state agencies will start evaluating these lease nominations. According to Interior officials, key evaluation criteria include:

- **Economic viability** of the lessee
- **Potential for the lessee to advance our knowledge** of oil shale development
- **Steps to control environmental impacts** of development

For more about RD&D leasing, please see "Correcting the Record"

Looking Ahead - Oil Shale Tracker

Lawsuits – In January 2009, [13 conservation organizations, including WRA, sued the Bush Administration](#) to block implementation of the controversial November 2008 commercial oil shale leasing regulations, and overturn the decision to open more than 2 million acres to oil shale and tar sands development. As has been reported in the press, the parties are discussing settlement of the two suits.

2nd Round of RD&D – Lease proposals were submitted on January 4, 2010. An interdisciplinary team will soon begin reviewing the proposals. The BLM will request the participation of a representative from each of the States of Colorado, Utah, and Wyoming, as appropriate, and the Departments of Defense and Energy.

Shell Yampa River Water Right Filing – [One of the West's last wild rivers gets tapped for oil shale development.](#) Litigation is ongoing.

Recent News

[AP \(appeared in Business Week\):](#)

Fed's Offer of New Oil Shale Leases Nets 3 Takers

[AP \(appeared in ABC News On-line\):](#)

Feds Take Deliberate Approach to Oil Shale Leasing

[Grand Junction Daily Sentinel](#): Baking Soda Producer Seeks Oil Shale Lease

[Grand Junction Daily Sentinel](#):

ExxonMobil, Two Others Seek Oil Shale Leases

[Legal Newswire](#): Industry Groups Challenge Calif. Fuel standards

[Triplepundit](#): Groups Sue California Over Low Carbon Fuel Standard

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Correcting the Record

Myth: Energy companies did not apply for RD&D leases because the RD&D leasing program limits the size of commercial leases to 640 acres.

Fact: False. [The 2005 Energy Policy Act](#), not RD&D, controls commercial leasing. Per that Act, commercial leases are 5760 acres, and companies can hold up to 50,000 acres of commercial leases per state. These provisions have not been altered. Industry is instead focusing on what are called "preference right leases". These leases provide that upon successful demonstration of technologies, RD&D lessees can secure additional acreage for commercial leasing.

As provided in [the January 15, 2009, Federal Register](#), the Bush Administration concluded 640 acre research leases (which include the preference right acreage) were sufficient to support commercial development. Secretary Salazar followed the Bush Administration and set the "preference right lease" at 480 acres, for a total acreage for RD&D leases of 640 acres.

Myth: The new RD&D lease terms are too restrictive.

Fact: False. With a few exceptions, [the lease terms Secretary Salazar offered track the Bush Administration's RD&D lease terms](#). The two notable changes are (1) prohibiting lessees from sitting on their leases through the inclusion of diligence requirements, and (2) requiring lessees to report on the economic and environmental impacts of commercial development. These requirements do not restrict lessees. Instead, they ensure leases are issued for companies with a technology to test, and compel companies to report on the broad impacts of commercial development on communities, economies and the environment (e.g., water, energy, climate).
