



August 20, 2009

Oil Shale News

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WRA's Work

In follow up to its groundbreaking analysis of Colorado water rights, [*Water on the Rocks: Oil Shale Water Rights in Colorado*](#), WRA is starting to analyze Utah water issues and the impact that oil shale and tar sands development will have on existing and future water allocations. WRA's initial analysis suggests Utah will soon maximize its allocations under the Colorado River Compact. Water for oil shale and tar sands will further challenge the state's ability to meet its growing water demands, likely putting oil shale at odds with existing agricultural needs and growing municipal demands.

Welcome to Oil Shale News

Western Resource Advocates (WRA) has launched *Oil Shale News* to inform people about numerous facets of oil shale research and development. Oil shale is being explored as a potential energy and fuel source despite past failures to extract oil shale at a commercially-viable level. WRA is concerned about the impacts that oil shale development could have on western communities, agriculture, water resources, and the climate. *Oil Shale News* will provide timely information on federal and state policies, myths and facts, litigation, and related issues. We will also update you on WRA's work and our positions on oil shale. *Oil Shale News* will be published every four to six weeks and will provide readers with special bulletins as news warrants.

We look forward to your feedback on how we can help you stay informed on this important issue.

Sincerely,

Quotable Quotes

"The Western Slope has revived the specter of oil shale, which could drink up the remaining allocation of water to Colorado under the 1922 Colorado River Compact. Many are skeptical because the energy and water costs of producing oil shale are so high, no matter what price is set by the world market."

[Pueblo Chieftain, July 27, 2009](#)



"Even more important, the federal government will have to have all the facts about how much water would be used in the development of oil shale before signing off on grand schemes to tap the Western Slope's vast reserves. The trade-off of petroleum energy for large outlays of water resources might not be beneficial. The Colorado River flows through a dry and dusty land; careful stewardship of the resource will ensure that future generations have what they need, as well."

[Longmont Times-Call, editorial, July 26, 2009.](#)



"Oil shale is unlikely to pay off in the way we need it."

[Senator Mark Udall, quoted in The Colorado Statesman, July 24, 2009](#)

Correcting the Record

Myth: Secretary Salazar has blocked oil shale development.

Karin P. Sheldon

Executive Director

On the Front Burner

In January 2009 thirteen conservation organizations, including Western Resource Advocates, sued the Bush Administration, challenging the legality of the Bureau of Land Management's September 2008 [Programmatic Environmental Impact Statement \(PEIS\)](#) and the [November 2008 commercial leasing rules](#). The PEIS opened 2 million acres of federal land to commercial leasing, while the rules established the regulatory framework governing commercial leasing. The Department of the Interior (DOI) has not yet formally responded to these complaints, having received additional time pending Senate approval of key political appointees. [DOI must now respond by August 31, 2009.](#)

Looking Ahead

In recent months House and Senate Republicans have introduced legislation that would require the DOI to (1) initiate commercial oil shale leasing, (2) ensconce in law the controversial November 2008 commercial leasing regulations, and (3) require Interior Secretary Salazar to offer a second round of research (RD&D) leases.

[Status of legislation:](#) The House bills have been referred to the

Fact: False. Salazar is working to bring order to the Bush-era oil shale policy that equally weights oil shale research and commercial development. He is focusing on research, recognizing that commercial leasing, should it ever become viable, depends on companies' ability to develop technologies that are economically viable and environmentally protective.

New News

[Oil Shale: 14 Unanswered Questions](#) - Headwaters Economics Report

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committees of jurisdiction but have not been subject to hearings or other legislative action. Senator Bob Bennett (R-UT) offered two amendments to the Senate energy bill, but lost both votes in committee. WRA anticipates Senator Bennett will seek to reintroduce his amendments (with some modifications) when the Senate takes up energy and/or climate legislation later this year.

[WRA's position on the legislation](#)

- 1. Commercial leasing:** Commercial leasing is not currently viable so DOI's focus is rightly on research. It is imperative that DOI allow the RD&D process to show measurable results before proceeding with decisions allowing for commercial development of oil shale resources. Requiring commercial leasing to follow RD&D would, in the words of Secretary Salazar, restore order to the process.
- 2. Additional RD&D leases:** WRA supports industry researching new technologies. However, DOI has not shown that federal lands are needed for industry to advance their research, as the current RD&D lessees have barely started working their leases and there are substantial private resources that companies are currently using to test new technologies.
- 3. Requiring DOI to issue additional RD&D leases:** This action is unnecessary as DOI is re-designing the Bush-era

RD&D program and is expected to solicit nominations in the coming months. Congress should allow Secretary Salazar to fix the program. To WRA that means (a) answering critical questions about the economic and environmental feasibility of emerging technologies, (b) decoupling RD&D leases from commercial leasing, and (3) protecting public interests, especially safeguarding public lands from reckless development.

4. **Commercial leasing regulations:** These regulations are premature and flawed and should be withdrawn. As then-Senator Ken Salazar argued when the rules were enacted, the federal government has no idea how much water will be required to develop oil shale on a commercial scale, no idea where the power would come from, and no idea whether the technology is even viable on a commercial scale.

- [H.R. 1431, Bob Bishop \(R-UT\)](#)
- [H.R. 1810, Michele Bachman \(R-MN\)](#)
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