



September 23, 2009

## Oil Shale News

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### *WRA's Work*

#### **Is oil shale economically viable? Even the federal government does not know.**

And yet, in making the case for accelerated commercial development of oil shale and tar sands resources in Colorado, Utah and Wyoming, President Bush's Departments of Energy (DOE) and the Interior (DOI) pointed to a range of macroeconomic, socioeconomic, and consumer benefits that would result. However, a close review of data and existing studies reveals far different conclusions.

Much is at stake. Environmental quality is a critical economic force in oil shale country, and the

### From the Director's Desk

Welcome to the second edition of Oil Shale News. We received great feedback on our inaugural edition, and have made several changes so that this online publication will be more useful to the media and others who are tracking oil shale issues.

As I've said before, oil shale development is an outdated idea. If we are to protect the West's communities, economy, and natural resources, we must be innovative. An exciting future is surely ahead of us. We are already seeing that alternative fuels can replace traditional fossil-based transportation fuels. The Department of Defense's recent award of a contract to research and procure algae fuels for use in its vehicles indicates that **as development of oil shale languishes, other technologies are making progress**. By exploring new technologies, our leaders are signaling that if we develop alternative fuels -- instead of wasting time and money on oil shale development -- good things are possible. Read more about this

environmental amenities provided by public lands are an important economic driver in the rural West. Oil shale development would displace a wide variety of uses, including recreation, hunting, oil and gas production, and livestock grazing. Development would also compromise clean air, clean water, climate, water supply, and wildlife habitat.

As Colorado's Governor, Bill Ritter, has argued, **oil shale leasing on top of this "existing network of energy development and changing land uses will put more pressure on an already fragile ecosystem and public temperament."**

What we need -- WRA advocacy:

- The federal government must **prohibit commercial development** until questions regarding economic and socioeconomic impacts are answered.
- The federal government must **contract for new independent analyses** that, among other things, examine the economic and socioeconomic impacts of commercial development.
- Industry, especially those with federal research leases, must **open their books for inspection** so that all can better understand the likely impacts.

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### **Quotable Quotes**

promising research below. As always, I welcome your feedback.

Sincerely,

**Karin P. Sheldon**  
Executive Director

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### **On the Front Burner**

**In the coming weeks, the Department of the Interior will respond to two lawsuits** WRA and other conservation organizations brought challenging the 2008 oil shale commercial leasing regulations and the 2008 decision to open 2 million acres of land in Colorado, Utah and Wyoming to oil shale development. DOI have been granted four delays and now must respond by **September 30th.**

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### **Looking Ahead - Oil Shale Tracker**

**Lawsuits** - DOI must respond to conservationists' suits by 9/30 (See "On the Front Burner" above)

**Second Round of RD&D** - DOI is preparing notice of a second round of RD&D. DOI will likely issue Federal Register notice in October, if not sooner.

**Shell Yampa Water Right Filing** - A status conference is scheduled for October 19, 2009. If Shell and the more than 25 parties opposing the water right filing cannot agree on critical legal issues, the case may head towards a water court trial.

"We believe that biofuel produced by **algae could be a meaningful part of the solution** in the future if our efforts result in an economically viable, low net-carbon emission transportation fuel"

[Dr. Emil Jacobs, vice president of research and development at ExxonMobil Research and Engineering, July 14, 2009, press release](#)



"This is an **important first step with algae oil derived alternative fuels**. Not only are we helping the Navy meet its energy security and alternative fuels objectives, this contract also demonstrates the continued successful partnering of DESC with our warfighter customers to help them meet their emergent energy needs."

[Kim Huntley, director of the Defense Energy Support Center, which awarded the Solazyme contract.](#)



"These are probably the tip of the iceberg in terms of future procurements. There's **great interest within the (Defense) Department in alternative fuels** and renewable energy."

[Frank Pane, director of energy plans and programs at the Defense Energy Support Center.](#)

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**Correcting the Record**

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## **Algae Biofuels ... Not Oil Shale**

Biofuels for the Navy? Sounds like sci-fi but that's exactly where the Navy is heading. On September 8, 2009, [Solazyme, Inc.](#), a renewable oil and bioproducts company, signed a contract with U.S. Department of Defense to research, develop, and demonstrate commercial scale production of algae-derived advanced biofuel that meets the United States Navy's rigorous specifications for military tactical platforms. Solazyme will provide renewable [F-76 Naval Distillate fuel](#) for testing and fuel certification to demonstrate it meets all military specifications and functional requirements. F-76 Naval Distillate is similar to diesel fuel and is the primary shipboard fuel used by the Navy. According to Rick Kamin, the Navy's fuels lead, **"Our major goal is a drop-in replacement for the Navy's petroleum-based fuels.** The Navy hopes to complete testing and approve a biofuel for use in their fighter jets by 2013 and is looking to do the same for its ships in the same time frame. This solicitation comes on the heels of Boeing's recent successful test flight of a 747 using a 50/50 blend of [jatropa](#) (a seed that can be used for biodiesel) and jet fuel. [According to a report](#) issued by Air New Zealand, GE-Aviation, Rolls-Royce, Honeywell Aerospace, Boeing, Continental Airlines, Virgin Atlantic, among others, this fuel reaps significant fuel savings and emission reductions.

**Myth:** Federal lands are needed to support oil shale research.

**Fact: False.** According to a 2007 Department of Energy report, **several large companies control more than 200,000 acres of oil shale lands** in Colorado, Utah and Wyoming. Recently, [General Synfuels International](#) announced that it has secured an exploration agreement for private lands in Wyoming and rights to a separate oil shale resource in Colorado to test its technology. [Red Leaf Resources, Inc.](#), a Utah-based company, has **18,000 acres of state, private and tribal oil shale lands** on which to test their technologies.

The current federal oil shale research lease program is in its infancy with **ground barely being broken on the initial six research leases**. DOI has yet to make a compelling case of why federal lands are necessary to support additional research.

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Why does this matter? One of the intended prime beneficiaries of oil shale-derived fuels is the Defense Department. As WRA has argued, we should look to the future.

**Algae may reduce the perceived need for oil shale and is well worth testing.** Unlike oil shale, producing algae biofuel uses little water, has low carbon emissions, and is readily available.

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### New News

- [Former Secretary Gale Norton is under criminal investigation](#) for corruption for awarding three oil shale research leases to Shell oil.
  - [World's First Algae-Fueled 150 MPG car](#)
  - [Dirty Oil: How The Tar Sands Are Fueling The Global Climate Crisis](#) - By 2020, Canadian Tar Sands could produce more GHGs than Austria, Portugal, Ireland or Denmark. CO2 output could even rival or exceed that of Belgium, a nation of 10 million people.
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