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NATURAL RESOURCES COMMITTEE REPUBLICANS
CONGRESSMAN DOC HASTINGS, RANKING MEMBER

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Hastings & Lamborn Statements on Interior Department's RD&D Oil Shale Lease Program

Decreases Lease Acreage by 87 Percent, Leaves Royalty Rates Unknown, and Sets Practically Unattainable Production Requirements

WASHINGTON, D.C. – House Natural Resources Committee Ranking Member Doc Hastings (WA-04) and Energy and Minerals Subcommittee Ranking Member Doug Lamborn (CO-05) issued the following statements today regarding Secretary of the Interior Ken Salazar's announcement regarding a new round of Research, Demonstration and Development (RD&D) leases for oil shale:

"While the Department claims the changes to the RD&D leases are important reforms, the truth is that they are actually restrictive roadblocks that will discourage companies from participating in innovative oil shale research and drive American jobs overseas," **said Ranking Member Hastings.** "The new program decreases lease acreage by 87 percent, demands unrealistic timelines for investment into cutting edge research, includes production requirements that appear unattainable, and leaves royalty rates at the whim of the Secretary. Combined, this is simply a recipe for more inaction. If the Administration is truly supportive of groundbreaking energy research and the creation of new oil shale jobs, why are they making it so hard for companies to participate in its new program?"

"After months of delay, the Secretary is now creating a new oil shale RD&D program from scratch," **said Subcommittee Ranking Member Lamborn.** "The Department has proposed new leases under terms that are vastly different from the carefully drafted, publicly reviewed rules published last year. This new program reduces the incentive and opportunity for oil shale leasing and research by drastically increasing uncertainty and costs – two steps that take us further away from our goal of energy independence. Republicans have a better plan. Congress should immediately move forward with the Republican PIONEER Act, which will capture investment, create jobs, and produce more domestic energy."

Background

According to the U.S. Geological Survey (USGS) the U.S. holds more than half of the world's oil shale resources. The largest known deposits of oil shale are located in a 16,000-square mile area in the Green River formation in Colorado, Utah and Wyoming. The USGS's most recent estimates (April, 2009) show the region may hold more than 1.5 trillion barrels of oil – six times Saudi Arabia's proven resources, and enough to provide the United States with energy for the next 200 years.

In June, House Republicans introduced The PIONEER Act (The Protecting Investment in Oil shale the Next Generation of Environment, Energy, and Resource Security Act), H.R. 2540, to expand production of oil shale.

The PIONEER Act:

- Directs the Secretary of the Interior to issue additional Research, Development & Demonstration (RD&D) leases within 180 days after enactment of bids published on January 15, 2009. This would reverse Secretary of the Interior Ken Salazar's decision last February to withdraw a proposed plan for expanded oil shale RD&D leases.

- Makes permanent the commercial oil shale regulations published guidelines by the Department last November and apply them to all commercial leasing for the management of federally owned oil shale. This will give oil and gas producers a clear set of rules for commercial development.

- Gives the Secretary of the Interior the ability to temporarily reduce royalties and fees paid by oil producers in order to further incentivize and encourage energy development.

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