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NATURAL RESOURCES COMMITTEE

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Delays By Obama Administration in Oil Shale Production Hinder Job Creation, Economic Growth

U.S. Oil Shale Reserves Enough to Provide Energy for 200 Years

Grand Junction, CO – Today, the Subcommittee on Energy and Mineral Resources held an [oversight field hearing](#) in Grand Junction, Colorado entitled “*American Jobs and Energy Security: Domestic Oil Shale, the Status of Research, Regulation and Roadblocks.*” U.S. oil shale has the potential to create hundreds of thousands of American jobs, lower energy costs and strengthen our national security by reducing our dependence on foreign energy. Unfortunately, since taking office the Obama Administration has [repeatedly delayed and hindered](#) oil shale development to the detriment of local economies, job creators and American families struggling with high energy costs.

“The United States is blessed with tremendous oil shale resources--and we have appropriately been called the ‘Saudi Arabia of oil shale.’ Most of that shale is located right here around us, where according to the U.S. Geological Survey, the Western United States may hold more than 1.5 trillion barrels of oil--enough to provide the United States with energy for the next 200 years,” said Subcommittee on Energy and Mineral Resources Chairman Doug Lamborn (CO-05). *“Instead of promoting American jobs and developing cutting edge clean technologies to utilize these resources and lead the way in global development of this resource, the Obama Administration has stonewalled its production, diverted resources that could be used for oil shale R&D, and continues to put up roadblocks for companies that want to utilize federal land for energy production.”*

“The Third Congressional District of Colorado, along with our neighboring Western states, is in a unique position to contribute to our nation’s energy security to ensure that the United States remains competitive in the world market and create much needed jobs here at home. The road to viability for the oil shale industry is reliant on a predictable regulatory structure and an environment in which companies can invest in research and development and create jobs. The proper implementation of our environmental and safety regulations already on the books is a far better strategy than adding additional layers of bureaucracy to the process,” said Rep. Scott Tipton (CO-03). *“By establishing a common sense regulatory framework and embracing research and development of oil shale, we can continue to remain competitive, ensure our national security and provide an environment for job creation here in western Colorado and in our neighboring western states.”*

Witnesses at today's Subcommittee hearing highlighted the importance of American oil shale to job creation, energy security, economic productivity and international competitiveness. Witness testimony also noted the Obama Administration's failed regulatory efforts that only provide uncertainty to future U.S. energy development.

Dan Whitney, Heavy Oil Development Manager for Shell Exploration and Production Company, testified that the *“lack of policy and regulatory consistency from one administration to another makes the investment climate even more risky and potentially untenable.”* Continuing to stress the need for consistent public policy, Mr. Whitney said, *“there are already adequate checks and balances provided in existing regulatory programs,”* and that reviewing current rules is an *“inefficient and unnecessary use of taxpayer money and is a significant deterrent to capital investment.”*

Gary Aho, representing the National Oil Shale Association, reiterated the importance of regulatory structure. *“Industry needs a clear, consistent federal program and a national commitment to develop oil shale. Access to lands and regulatory certainty are crucial to companies starting a new, capital intensive industry,”* stated Aho. He also noted that *“there is currently no oil shale leasing program, despite the fact that [oil shale] leasing was provided for under the Mineral Leasing Act of 1920.”* Aho said that if a consistent regulatory process existed, *“developing oil shale in the western U.S. would create tens of thousands of high paying jobs, reduce the nation's dependency on foreign oil, improve the balance of trade, enhance national security, provide a stimulus to the economy, and generate tax revenues from all levels of government.”*

Michael Hagood was confident oil shale development will create strong direct and indirect jobs in the West and rest of the country. Representing the **Idaho National Laboratory**, specializing in Energy and Environment Science and Technology, Hagood said, *“oil shale research can result in direct job creation in private industry, regional research institutions and government agencies. ... [W]ith a set of more mature R&D relationships in the region, innovation would result in creation of spinoff companies and services, which would lead to job creation.”*

Gary Aho touted America's vast oil shale reserves saying, *“the U.S. has the nearly 70% of the world's oil shale resources and the deposits in the western U.S. contain more oil than the world's proven oil supplies,”* while Dan Whitney testified that the “energy produced per acre” in Colorado's oil shale rich Piceance Basin *“is well over 100 times greater than any other known form of energy development.”* Yet, despite America's abundant oil shale resources, according to **Thomas Sladek, Director of Ockham Energy Services**, countries like China, Estonia, Jordan, and Australia are taking advantage of their oil shale resources while America continues to fall behind.

Jennifer Spinti, a Department of Chemical Engineering Research Associate Professor at the University of Utah, summed up the importance of developing all of America's energy resources by recognizing that, *“We need domestic energy resources to fulfill our domestic needs, and the development of all resources should be held to the same high standards. ... We need to move all forms of energy development forward so that we don't miss a solution to the problem. ... We need a regulatory regime in place that will allow oil shale to stand or fall on its own merits.”*

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