

Administrative And Legislative Update:

The Shifting Requirements For Disposition Of Federal Oil Shale Resources

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Mineral Leasing Act

- Lease size
- Royalties
 - 12.5% of value of production for all leasable minerals
 - Discretionary waiver, reduction, or suspension
- Rentals
- Offsite leases

Energy Policy Act of 2005

- **Passed August 8, 2005**
- **Amended Mineral Leasing Act**
- **ACTION ITEMS in Sec. 369:**
 - **Research and development leasing**
 - **Programmatic EIS**
 - **Leasing regulations**
 - **Consultation and commercial leasing**

EPAct Action Items:

Research, Development and Demonstration Leasing

- Nominations in June 2005
 - 9 in CO, 8 in UT, and 1 in WY
- 5 leases for in-situ projects in Colorado
- 1 lease for mine/retort in Utah
- No activity on federal RD&D leases begun

EPAct Action Items: Programmatic EIS

- Initiated in December 2005
- Scoping completed in January 2006
- Comment summary out in March 2006
- Website established: ostseis.anl.gov
- Draft PEIS expected in Winter 2007

EPAct Action Items: Commercial Leasing Regulations

- Advance Notice of Proposed Rulemaking in August 2006
- Sought comment on:
 - Royalty rate and point of royalty determination
 - Process for evaluating adequacy of bids
 - Diligent development requirements
 - Minimum production requirements
 - Small-tract leasing
- Comments from public, industry, agencies.
- Draft expected in winter/spring 2008

Where do federal oil shale efforts stand?

- RD&D leases issued, but no on-the-ground activities.
- No Draft Programmatic EIS published.
- No Draft commercial leasing rules published.
- Unconventional Fuels Task Force reports.

Legislative Responses in 110th Congress

- **House energy legislation**
 - H.R. 3221
- **Senate bill on revenues**
 - S. 1517
- **House Interior funding bill**
 - H.R. 2643

H.R. 3221 would:

- 1) Eliminate EPO Act deadlines
- 2) Require 4-months comment on leasing rules
- 3) Require site-specific NEPA for commercial leases
- 4) Require Leasing & Development Strategy
- 5) Require Report on “alternative approaches”
- 6) Establish Oil Shale Community Assistance Fund

S. 1517

Oil Shale Reserve Fund Revenue Disposition Act

- Would provide for revenue sharing with state from NOSR leasing and development
- Would direct state funds into “Oil Shale Special Fund”
- Would expand the allowable uses of federal money from NOSR activities

H.R. 2643

Interior Appropriations bill

- Would prohibit DOI's use of funds in FY08 on:
 - Preparing or publishing final regulations establishing a commercial leasing program
 - Conducting a commercial lease sale of federal oil shale resources

WHAT'S NEXT?

- Congressional action?
- Programmatic EIS?
- Commercial leasing regulations?
- Activities on federal RD&D leases?
- Ongoing research activities on private land?
- Ongoing environmental research by agencies and colleges?

Questions?

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