

The changing legal landscape for leasing of Federal oil shale resources

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As it has several times in the last century, the skyrocketing price of oil in 2005 generated renewed interest in developing the vast oil shale resources of the Green River Formation of Colorado, Utah, and Wyoming. As a result, the 109th Congress considered several pieces of oil shale legislation and eventually included provisions in the omnibus "Energy Policy Act of 2005" intended to accelerate activities related to eventual leasing and development of federal oil shale resources. Among other things, the Energy Policy Act directed the Department of Interior to make lands available for oil shale research and development activities, expedite a review of the environmental impacts of commercial-scale oil shale development, promulgate regulations establishing a commercial oil shale leasing program, and consult with potentially-affected parties before it considers offering federal resources in a commercial lease sale. In addition, the bill amended existing law to increase tenfold the acreage a company can hold in a state under commercial oil shale leases and created several new administrative bodies, such as an inter-agency Oil Shale Task Force and an Office of Petroleum Reserves within the Department of Energy. This paper will describe these measures in detail, explain where they came from, and evaluate how they changed the legal landscape applicable to the leasing and development of federal oil shale resources.