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 EPAct 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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