

H. Sterling Burnett: Developing shale oil may solve our energy crisis

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Politicians lament the fact that the United States imports about 66 percent of its oil -- about 9,000 barrels every minute. Yet Congress has done little to remedy the situation. Instead, it has all too often erected barriers to domestic energy production.

Fortunately, the U.S. has vast quantities of oil in rocks, including oil shale, which can be converted into fuel. In fact, we have 75 percent of the world's oil shale. There are an estimated 1.5 trillion barrels of oil in shale formations in Colorado, Utah, and Wyoming.

The Department of Energy (DOE) conservatively estimates these formations contain 800 billion barrels of recoverable oil, more than three times the entire proven reserves of Saudi Arabia. Unfortunately, due to radical environmentalists' sway over key Democratic lawmakers, this oil is off-limits to production.

Removing barriers would include auctioning public lands with oil shale for production and streamlining the permitting process. The latter might include setting strict dates by which any administrative or court challenges must be filed. This would prevent the radicals from delaying progress by continually filing lawsuits.

Per acre, oil shale is significantly more concentrated than the oil and gas on Alaska's North Slope, Alberta's tar sands, or ethanol production. Indeed, some shale contains more than 1 million barrels of oil per acre. By contrast, conventional oil fields yield about 10,000 barrels per acre, and Congress's preferred alternative to oil, ethanol from corn yields, contains the equivalent of 10 barrels per acre.

Oil from shale is ideal for use as premium jet or diesel fuel and for other valuable industrial products because of its high hydrogen content. Its consumption produces less carbon dioxide per unit of energy than conventional gasoline.

Developing America's domestic oil shale resources would also provide an economic boon to a flailing economy. The RAND Corporation estimates that a 3 million bbl/day industry could generate \$20 billion in annual profits while reducing prices for consumers. Even better, we would be producing nearly three times as much oil as we import from Saudi Arabia each day and nearly four times as much as we get from Venezuelan strongman Hugo Chavez.

In addition, oil shale development and production would create as many as 100,000 direct and indirect new jobs during the operation of just a 2 million bbl/day shale oil industry. According to the DOE, federal and state governments would receive \$2 billion a year from income and sales taxes, royalties, and lease payments.

The Obama administration has already cancelled leases on several parcels of federal land that had been auctioned for oil shale production. It also halted the auction of others.

This is a mistake. Even if alternatives to oil and gasoline for transportation and chemical production eventually come to dominate, this won't happen for decades.

In the meantime economic prosperity and national security demand new domestic oil resources. We have them. To further our national interests, Congress and the Obama administration should remove current barriers to oil shale production.

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<http://www.washingtonexaminer.com/opinion/columns/OpEd-Contributor/Developing-shale-oil-may-solve-our-energy-crisis-8032159-51919372.html>

National Oil Shale Association

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There are so many misconceptions about oil shale. All developers indicated there is a net energy gain from processing the kerogen in the oil shale to petroleum transportation fuels. There is more hydrocarbon content in Western US oil shales than in a typical oil reservoir. Yes it is expensive to get out, but firms are now working on new technologies that do not strip mine the oil shale as alluded to in one of the earlier comments. Let's just give this research and development a chance to work before condemning the industry before it even gets started. For factual information about oil shale log on to www.oilshaleassoc.org.