

# Bush administration taking early step toward taking oil from vast Western shale deposits

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**WASHINGTON:** The Bush administration wants to start a process before leaving office for developing oil shale, rocky deposits in the western United States that eventually could yield 800 billion barrels of oil, according to government estimates.

The Interior Department is scheduled to unveil proposed regulations Tuesday for a program to sell oil shale leases on federal lands, similar to the leases sold now for oil and natural gas both on and offshore.

The shale is concentrated in the Green River Basin of Colorado, Wyoming and Utah. Developing it has become a hot topic of debate between Democrats and Republicans in response to voter anger over \$4-a-gallon (€1.05 a liter) gasoline.

President George W. Bush said last month that "one major deposit in the Rocky Mountain West alone would equal current annual oil imports for more than 100 years." The United States currently consumes about 20 million barrels of oil per day, about 58 percent of which is imported.

Oil shale may be the largest untapped source of domestic oil, dwarfing the quantity of oil available offshore and on federal lands currently off-limits. However, it is very expensive to extract. A government program to subsidize its development in the 1980s was shut down when cost figures came in at several times the then-market price for oil.

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Unlike traditional sources of oil, oil shale requires energy to bake the rock and pump the molten oil to the surface. There also are big environmental worries about the possible effect on the region's water, wildlife and public lands.

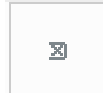
Democratic Sen. Ken Salazar, whose state, Colorado, has some of the largest oil shale deposits, inserted language into a spending bill last year that bars the federal government from issuing final rules for commercial oil-shale development.

"Tomorrow's announcement does not change the realities," said Matt Lee-Ashley, a spokesman for Salazar. "While the administration can finalize its draft rules, it is premature to move forward with a full commercial leasing program."

Bureau of Land Management spokesman Matt Spangler said Tuesday's proposal does not conflict with Salazar's provision.

In late 2006, the government issued leases for 10-year experimental projects to Shell Frontier Oil & Gas Co., Chevron USA and EGL Resources Inc. In testimony before a Senate committee in May, Assistant Interior Secretary Stephen Allred said commercial production of oil shale would not be under way until at least 2015.

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