

109TH CONGRESS
1ST SESSION

S. 1092

To establish a program under which the Secretary of the Interior offers for lease certain land for oil shale development, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 20, 2005

Mr. SALAZAR introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To establish a program under which the Secretary of the Interior offers for lease certain land for oil shale development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Oil Shale Development
5 Act of 2005”.

6 **SEC. 2. OIL SHALE LEASING.**

7 (a) DECLARATION OF POLICY.—Congress declares
8 that it is the policy of the United States that—

9 (1) United States oil shale and oil sands are
10 strategically important domestic resources that

1 should be developed through methods that help re-
2 duce the growing dependence of the United States
3 on politically and economically unstable sources of
4 foreign oil imports;

5 (2) the development of oil shale and oil sands,
6 for research and commercial development, should be
7 conducted in an environmentally sound and economi-
8 cally feasible manner; and

9 (3) development described in paragraph (2)
10 should occur at a deliberate pace, with an emphasis
11 on sustainability, to benefit the United States while
12 taking into account affected States and commu-
13 nities.

14 (b) LEASING FOR RESEARCH AND DEVELOPMENT.—

15 (1) IN GENERAL.—In accordance with section
16 21 of the Mineral Leasing Act (30 U.S.C. 241) and
17 any other applicable law, except as provided in this
18 section, not later than 1 year after the date of enact-
19 ment of this Act, from land otherwise available for
20 leasing, the Secretary of the Interior (referred to in
21 this section as the “Secretary”) shall, for a period
22 determined by the Secretary, make available for
23 leasing such land as the Secretary considers to be
24 necessary to conduct research and development ac-
25 tivities with respect to innovative technologies for

1 the recovery of shale oil from oil shale resources on
2 public land.

3 (2) APPLICATION.—The Secretary may offer to
4 lease the land to persons that submit an application
5 for the lease, if the Secretary determines that there
6 is no competitive interest in the land.

7 (3) ADMINISTRATION.—In carrying out this
8 subsection, the Secretary shall—

9 (A) provide for environmentally sound re-
10 search and development of oil shale;

11 (B) provide for an appropriate return to
12 the public, as determined by the Secretary;

13 (C) before carrying out any activity that
14 will disturb the surface of land, provide for an
15 adequate bond, surety, or other financial ar-
16 rangement to ensure reclamation;

17 (D) provide for a primary lease term of 10
18 years, after which the lease term may be ex-
19 tended if the Secretary determines that diligent
20 research and development activities are occur-
21 ring on the land leased;

22 (E) require the owner or operator of a
23 project under this subsection, within such pe-
24 riod as the Secretary may determine—

25 (i) to submit a plan of operations;

1 (ii) to develop an environmental pro-
2 tection plan; and

3 (iii) to undertake diligent research
4 and development activities;

5 (F) ensure that leases under this section
6 are not larger than necessary to conduct re-
7 search and development activities under an ap-
8 plication under paragraph (2);

9 (G) provide for consultation with affected
10 State and local governments; and

11 (H) provide for such requirements as the
12 Secretary determines to be in the public inter-
13 est.

14 (4) MONEYS RECEIVED.—Any moneys received
15 from a leasing activity under this subsection shall be
16 paid in accordance with section 35 of the Mineral
17 Leasing Act (30 U.S.C. 191).

18 (c) PROGRAMMATIC ENVIRONMENTAL IMPACT
19 STATEMENT.—Not later than 18 months after the date
20 of enactment of this Act, in accordance with section
21 102(2)(C) of the National Environmental Policy Act of
22 1969 (42 U.S.C. 4332(2)(C)), the Secretary shall com-
23 plete a programmatic environmental impact statement
24 that analyzes potential leasing for commercial develop-
25 ment of oil shale resources on public land.

1 (d) ANALYSIS OF POTENTIAL LEASING PROGRAM.—

2 (1) IN GENERAL.—Not later than 18 months
3 after the date of enactment of this Act, the Sec-
4 retary shall submit to Congress a report (including
5 recommendations) analyzing a potential leasing pro-
6 gram for the commercial development of oil shale on
7 public land.

8 (2) INCLUSIONS.—The report under paragraph
9 (1) shall include—

10 (A) an analysis of technologies and re-
11 search and development programs for the pro-
12 duction of oil and other materials from oil shale
13 and tar sands in existence on the date on which
14 the report is prepared;

15 (B) an analysis of—

16 (i) whether leases under the program
17 should be issued on a competitive basis;

18 (ii) the term of the leases;

19 (iii) the maximum size of the leases;

20 (iv) the use and distribution of bonus
21 bid lease payments;

22 (v) the royalty rate to be applied, in-
23 cluding whether a sliding scale royalty rate
24 should be used;

1 (vi) whether an opportunity should be
2 provided to convert research and develop-
3 ment leases into leases for commercial de-
4 velopment, including the terms and condi-
5 tions that should apply to the conversion;

6 (vii) the maximum number of leases
7 and maximum acreage to be leased under
8 the leasing program to an individual; and

9 (viii) any infrastructure required to
10 support oil shale development in industry
11 and communities; and

12 (C) an analysis, developed in conjunction
13 with the appropriate State water resource agen-
14 cies, of the demand for, and availability of,
15 water with respect to the development of oil
16 shale.

17 (3) PUBLIC PARTICIPATION.—In preparing the
18 report under this subsection, the Secretary shall pro-
19 vide notice to, and solicit comment from—

20 (A) the public;

21 (B) representatives of local governments;

22 (C) representatives of industry; and

23 (D) other interested parties.

1 (4) PARTICIPATION BY CERTAIN STATES.—In
 2 preparing the report under this subsection, the Sec-
 3 retary shall—

4 (A) provide notice to, and solicit comment
 5 from, the Governors of the States of Colorado,
 6 Utah, and Wyoming; and

7 (B) incorporate into the report submitted
 8 to Congress under paragraph (1) any response
 9 of the Secretary to those comments.

10 (e) NATIONAL OIL SHALE ASSESSMENT.—

11 (1) ASSESSMENT.—

12 (A) IN GENERAL.—The Secretary shall
 13 carry out a national assessment of oil shale re-
 14 sources for the purposes of evaluating and map-
 15 ping oil shale deposits, in the geographic areas
 16 described in subparagraph (B).

17 (B) GEOGRAPHIC AREAS.—The geographic
 18 areas referred to in subparagraph (A), listed in
 19 the order in which the Secretary shall assign
 20 priority, are—

21 (i) the Green River Region of the
 22 States of Colorado, Utah, and Wyoming;

23 (ii) the Devonian oil shales of the
 24 eastern United States; and

1 (iii) any remaining area in the central
2 and western United States (including the
3 State of Alaska) that contains oil shale, as
4 determined by the Secretary.

5 (2) USE OF STATE SURVEYS AND UNIVER-
6 SITIES.—In carrying out the assessment under para-
7 graph (1), the Secretary may request assistance
8 from any State-administered geological survey or
9 university.

10 (f) STATE WATER RIGHTS.—Nothing in this section
11 preempts or affects any State water law or interstate com-
12 pact relating to water.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as are nec-
15 essary to carry out this section.

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