

FEDERAL OIL SHALE PROGRAM

STATEMENT OF SPENCER M. SMITH, JR., SECRETARY OF THE CITIZENS COMMITTEE
ON NATURAL RESOURCES

Mr Chairman and members of the committee, I am Dr. Spencer M. Smith, Jr., Secretary of the Citizens Committee on Natural Resources, a national conservation organization with offices in Washington, D.C.

The Citizens Committee on Natural Resources has been concerned primarily with the renewable resources and appropriate policies dealing with their management. Our interest in the past, relative to oil exploration and production, has been primarily with related resources.

We do not presume to be experts in all of the highly technical matters that the development of oil shale involves, nor do we presume to chart a specific and deliberate course for such development. We do feel, however, that any such course should be investigated fully in order that all parties involved find their interests protected, and that a careful consideration is given to the many other resources that may be affected. As a result of these considerations we are wary of the Federal Government proceeding forthwith in commercial leasing for shale oil lands. We do not see any crises in the oil industry regarding the supply now available that would be such as to mitigate against a most full and thorough-going analysis of the many problems that are involved.

Oil shale was made a leasable mineral by the Mineral Leasing Act of 1920. Prior to that time it was locatable under the general mining laws. On April 15, 1930, Executive Order No. 5327 withdrew designated lands containing deposits of oil and shale from mineral leasing and reserved these lands until an investigation and classification could be made. At the time of that order, however, a number of claims had been filed and, to the best of our knowledge, there were somewhere between 125,000 and 175,000 unpatented oil shale placer mining claims prior to the enactment of the Mineral Leasing Act of 1920.

The main concentration of oil shale is in the Green River Formation of Southwest Wyoming, Northeast Utah, and Northwest Colorado. The bulk of these lands that are most likely to be developed first are located in the Piceance Creek Basin of Garfield and Rio Blanco Counties in Colorado. Although the area ownership as estimated from one source to another varied slightly, according to the Bureau of Mines the ownership of the oil shale lands is as follows:

	Acres
Privately owned including mineral rights-----	380,000
Federal lands involving disputed mining claims-----	338,000
Federal domain-----	582,000

There is estimated to be about 100 billion barrels of oil in both the privately owned lands and the disputed claims lands leaving approximately 1.1 trillion barrels of oil in the public domain.

Our present use of oil is at the rate of $3\frac{1}{2}$ million barrels a year or slightly over 4 billion barrels if the recovery and use of gas condensate material is included, though the latter does not place a drain on known inventory. It is estimated that we have approximately a 50-year supply of oil reserves exclusive of that deposited in oil shale.

The issue now is whether to withdraw the Executive Order of 1930. On May 12, 1965 in the published hearings of the Senate Committee on Interior and Insular Affairs, the following colloquy took place relative to the status of the Mineral Leasing Act:

MR. CARVER. Of the Mineral Leasing Act. Section 241 relates just to oil shale, and this, however, of course at the moment he has no authority to lease because the lands which would be subject to lease are, by the Executive Order, withdrawn.

In other words, that withdrawal must be lifted before leasing can legally go forward.

SENATOR NELSON. So that the record may give some idea of the significance of this authority in the Secretary, I want to read one sentence here.

An area in the heart of the basin of about 350 square miles contains some 600 billion barrels of oil equivalent, and in parts of this area a single 5,120 acre plot, the size of the lease presently provided by the leasing laws, contains as much as 18 billion barrels, an amount equal to nearly 60 percent of the Nation's proved reserves of petroleum.

So under this leasing authority the Secretary in his discretion may lease to one lessee the equivalent of what would amount to 18 billion barrels of oil equivalent from the shale on a 5,120-acre plot?