

Oil

Bush removes ban on offshore drilling

Hatch says he hopes it's a step toward unlocking oil shale in the West

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WASHINGTON - Sen. Orrin Hatch on Monday said he hopes President Bush's order to drop administration hang-ups on offshore oil exploration is a step toward unlocking oil shale deposits in the West.

Bush's executive order doesn't affect a congressional moratorium on oil shale leasing and he has no authority to lift the ban on tapping what Republican members say is a huge reserve of domestic oil resources. But Hatch says the president's move now leaves Congress as the only blockade toward utilizing much of the nation's energy assets.

"We must take off our self-imposed shackles and free up America to declare its energy independence from foreign oil," Hatch said Monday. "That means drilling offshore and tapping the nation's vast reservoirs of tar sands and oil shale."

Bush, in a Rose Garden speech, announced he would issue an executive order lifting restrictions on drilling off American coasts - a politically controversial issue in California and Florida.

The president added that Congress is now the only sticking point in harvesting these resources, and that the legislative branch should also remove its objection to oil shale extraction. He talked about the moratorium as well during his Saturday radio address.

"That provision can be taken out as easily as it was slipped in and Congress should do so immediately," Bush said.

Hatch and his Senate colleague, Bob Bennett, signed onto the Gas Price Reduction Act, which includes a provision lifting the congressional moratorium on making final rules regarding leases for oil shale exploration. And Rep. Chris Cannon, R-Utah, has introduced legislation that would allow the president to cut through any red tape holding back oil shale production.

Bennett's office also argued Monday that Congress needs to drop its block against finalizing rules on oil shale exploration.

"Nobody is going to play a game where the rules are not defined," Bennett spokeswoman Tara Hendershott said. "Crafting the regulations will allow us to proceed with oil shale exploration in an environmentally safe and sound manner."

The Republican arguments did little to change the mind of Sen. Ken Salazar, D-Colo., who pushed for the one-year moratorium as a way to stave off unfettered oil shale exploration in sensitive areas. Salazar's office says he is not against developing oil shale but doesn't want to rush into production when it might not be practical.

The technology to tap the resource - which involves heating up sedimentary rock and extracting a fluid that can be turned into synthetic oil - isn't yet feasible given its cost and effort, Salazar's office said.

"Until that technology is proven to be commercially viable, Senator Salazar will continue to push for a thoughtful and responsible approach to developing oil shale in Colorado's Western Slope and throughout the Rocky Mountain area," spokesman Michael Amodeo said Monday.

Environmental groups have also charged that many companies are sitting on millions of acres of oil shale on private land but have yet to find a way to produce a commercially feasible product.

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