

Report of the Oil Shale Committee

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Oil Shale Steering Committee formed. Oil shale is starting to evoke considerable interest of oil companies and the U.S. Government, due to the perceived shortage of petroleum in the coming years and the current high price of crude oil. A "Steering Committee" composed of representatives from several major oil companies, the Department of Energy, the Bureau of Land Management, the U.S. Geological Survey, and several consultants first met February 19-20, 2004 in Mclean, Virginia. The purpose of the meeting was to discuss the need of incorporating the nation's huge oil shale deposits, especially those of the Green River Formation in western U.S., into the administration's National Energy Policy. A two-volume report was prepared for public distribution: Office of Deputy Assistant Secretary for Petroleum Reserves, U.S. Department of Energy, March 2004, Strategic Significance of America's Oil Shale Resource, vol. I, Assessment of Strategic Issues, 37 p., and vol. II, Oil Shale Resources, Technology, and Economics, 47 p.

Subsequent meetings of the steering committee were held in Denver on April 20-21, 2004, and again on October 19-20, 2004, to develop a 'roadmap' outlining the need for shale oil and to discuss those issues that would help or hinder the development of U.S. oil shale resources. A draft roadmap "for Federal decision making" was distributed to the committee members for comment. New technologies of recovering and processing shale oil are on the horizon and at least one company is actively testing an *in situ* shale oil recovery method in the Piceance Creek Basin, Colorado. Although open pit and underground room-and-pillar mining might be commercially feasible, *in situ* methods seem to offer the possibility of minimizing high costs of mining and retorting and reducing the environmental impacts that were faced by companies using conventional surface retorts and underground mines in the 1970's and 1980's.

Stuart oil shale project closes. The Australian experimental open-pit mine and processing plant located in the Stuart oil shale deposit near Gladstone, Queensland, has closed owing to financial problems as well as design limitations of the ACP retorting unit based on the Tasiuk horizontal retort developed in Canada. Production from start up to closure of the project was in excess of one million barrels of low sulfur naphtha and light fuel oil. As of October 2003 the project has mined 1.7 million tons of oil shale from which 1.07 million barrels of shale oil were produced during a total run of 438 days since the start of the project. The Stuart deposit contains in-place shale oil resources of 2.6 billion barrels. Now under new management, the project is being reassessed to see whether shale oil can be produced profitably with the current plant equipment.

Utah oil shale database planned. The Utah Geological Survey and the USGS are planning a cooperative project to develop a digital database comprising shale oil analyses of cores as well as other data from exploratory bore holes drilled for oil shale in the Uinta Basin in northeastern Utah. The purpose of the database is to make publicly available a large collection of geophysical and lithologic logs in addition to shale oil analyses of the Green River oil shale deposits that have not been previously available to the public.

Federal oil shale leases under study. The U.S. Bureau of Land Management is studying the issuance of special oil shale leases on Federal lands for research and development. The size of the lease being considered is 40 acres. Additional conditions of the lease have not yet been revealed.

World oil shale news. Other countries with active oil shale operations include Estonia, China, Brazil, and Germany. Estonia continues to mine its rich deposits of oil shale in the northeastern part of the country close to the Russian border. Most of the oil shale is burned as fuel in two large electric power plants near Narva.