



FACT SHEET – FREQUENTLY ASKED QUESTION ABOUT OIL SHALE

WHAT IS OIL SHALE?

Kerogen oil shale (hereafter called oil shale) is a rock that can be processed to produce petroleum-based products. Deposits are found in many places in the world, but the largest deposits are found in the United States. The three states of Colorado, Utah and Wyoming contain an amount of shale oil that is comparable with the conventional oil reserves in the Middle East. It is a domestic resource that can in the future augment the nation's energy supplies when other domestic sources, and foreign supplies, become scarce and costly and a threaten national security

HOW IS OIL SHALE MADE INTO ENERGY PRODUCTS?

Oil shale cannot be pumped from the ground. It requires heating, called retorting, to release oil and natural gas. Heating is accomplished by mining the rock and retorting it on the surface or by using underground methods, known as insitu recovery, to produce crude shale oil that is upgraded and then refined into gasoline, diesel and jet fuel. Kerogen oil shale is often confused with conventional petroleum produced by directional drilling and fracking of shale deposits, containing liquid oil, that uses the name oil shale.

WHY ARE WE NOT PRODUCING SHALE OIL NOW? The cost of converting oil shale into products is often higher than the world price of petroleum. Attempts to build commercial oil shale plants in the last century ended when the price of petroleum plummeted, and government policy support vanished. Technology advances will improve the prospects for success in the future. Rising oil prices and political tensions over the long term will likely increase the call to action for oil

shale development as it did in the 1970's when foreign suppliers cut off supplies to the United States.

ARE THERE ENVIRONMENTAL ISSUES RELATED TO OIL SHALE?

Yes, as there are with all human endeavors, but they are believed to be manageable with current technology and information gained from semi-commercial scale oil shale plants operated in the end of the 20th Century.

HOW WILL OIL SHALE DEVELOPMENT AFFECT LOCAL COMMUNITIES?

There will be both positive and negative influences for communities. Jobs, new businesses, and tax revenues will bring positive effects. Impacts from a growing population will bring adverse effects that industry and governments can plan for in a cooperative manner. The net effect for the nation will be positive because of the availability of a domestic energy resource that can mitigate future energy shortages.

IS OIL SHALE AN EFFICIENT ENERGY RESOURCE?

Yes, because more energy in the form of oil and gas can be obtained from it than the energy to produce it. Depending on the retorting process used, oil shale can yield more than three units of energy for every unit of energy consumed.