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## Commentary

## Our Own Oil Cartel

By Terence P. Jeffrey CNSNews.com Editor in Chief June 04, 2008

Contemplate this the next time you spend \$60 or more filling up your tinny little car with gasoline made from imported oil: The U.S. government knows where it can get its hands on more untapped petroleum than exists in the proven reserves of Iran or Iraq, which have 136 billion barrels and 115 billion barrels, respectively.

This unexploited stock of crude is greater than what the U.S. Energy Information Administration reports is in the proven reserves of Russia (60 billion barrels), Libya (41.5 billion barrels) and Nigeria (36.2 billion barrels) combined.

It is more than Hugo Chavez's Venezuela has (80 billion barrels). It is more than is now known to sit beneath the waters and sands of Kuwait (101.5 billion barrels) or the United Arab Emirates (97.6 billion barrels).



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So, where is all this oil? And why aren't they pumping it?

What cartel is holding it off the market, to drive up prices at American gas stations and American supermarkets? What insidious power is stifling the free market for this vital commodity and thus threatening the vitality of our economy?

It is us, of course. We are the culprits. We are responsible for artificially increasing oil prices. It is our oil that sits untapped beneath our deserts, our forests, our swamps and our oceans. It is our politicians -- the ones we freely elected, and re-elected, and re-elected -- who are not allowing our oil to be drilled by us and sold to us.

In 2005, Congress passed the Energy Policy Act, requiring the Department of Interior to inventory the oil resources that could be found both onshore and offshore in U.S. territory. In February 2006, Interior's

Minerals Management Service (MMS) published the report on offshore oil resources on the Outer Continental Shelf (OCS). It determined there were 85.9 billion barrels of "undiscovered technically recoverable" oil sitting off our beaches.

Just this offshore portion of our undiscovered oil is more than all the proven oil in Venezuela, and more than all the proven oil in Russia, Oman, Qatar and Bahrain combined.

What does the government mean when it says this oil is "undiscovered technically recoverable" oil? It means we can go get it with off-the-shelf technology, but the government makes no judgment about the profitability of doing so. This oil, the government says, is "in undiscovered accumulations analogous to those in existing fields producible with current recovery technology and efficiency, but without any consideration of economic viability."

Last month, with almost no attention from the liberal media, the Bureau of Land Management released the report estimating the other part of America's undiscovered oil riches, the onshore resources. This added another 53 billion barrels to the national petroleum pot.

"The nation's undiscovered oil resources total about 139 Bbbls (billion barrels)," says the report. "Of that total, the MMS estimates that 86 Bbbls are offshore under the OCS, comprising 62 percent of the nation's resources. State waters and nonfederal onshore resources are the second largest potential source of production (21 percent), followed by Federal onshore oil resources (17 percent)."

Yet, as long as Congress and the president retain the federal moratoria that forbid most offshore drilling, the 85.9 billion barrels of crude offshore won't be tapped.

The May BLM report explains why most onshore oil won't be tapped, either. Of the 279 million acres of federal land "with potential for oil or natural gas resources," 60 percent is off limits to leases as a matter of federal statute or administrative policy. Another 23 percent is open to leases with "restrictions." These include such things as "lands that can be leased but ground-disturbing oil and natural gas exploration and development activities are prohibited" and "lands that can be leased, but stipulations ... limit the time of the year when oil and gas exploration and drilling can take place to less than 3 months."

A final 17 percent of federal land is open to oil drilling on more or less the same environmental terms as private land.

"All oil and gas leases on Federal lands, including those issued with only the standard lease terms, are subject to full compliance with all environmental laws and regulations," says the report. "These laws include, but are not limited to, the National Environmental Policy Act, Clean Water Act, Clean Air Act, Endangered Species Act and National Historic Preservation Act. While compliance with these laws may delay, modify or prohibit oil and gas activities, these laws represent the values and bounds Congress believes appropriate to manage Federal lands."

You elected Congress. It paid you back with \$4.00-per-gallon gas.

(Terry Jeffrey is the editor in chief of CNSNews.com.)