

By John Cox May 9, 2011

A congressional field hearing in Bakersfield Friday injected Kern County into the heated national debate over how to balance U.S. energy and economic needs with health and environmental protections.

Joined by Rep. Kevin McCarthy, R-Bakersfield, two Republican members of the House Committee on Oversight and Government Reform heard testimony from industry representatives on the negative impacts of existing and proposed government action regarding oil producers.

Five invited speakers targeted endangered species rules, state drilling permit reviews, restrictions on offshore oil production, an Obama administration proposal to slash oil subsidies and, notably, a new federal study of hydraulic fracturing -- the revolutionary and controversial natural gas extraction technique known as "fracking."

Fracking is a decades-old procedure that uses small underground explosions in combination with water, sand and toxic chemicals to free up gas stored in deep shale formations. Though not in particularly wide use in Kern, the technique has recently opened up huge gas reserves elsewhere in the country.

The procedure received significant attention at Friday's hearing (a heavy chunk of black shale rich in natural gas was passed around inside county board of supervisors' chambers) partly because of Secretary of Energy Steven Chu's appointment Thursday of a seven-person panel of mostly scientists and environmentalists charged with recommending ways to keep the practice clean and safe.

Reflective of Washington Republicans' sharp criticism of Chu's inquiry, committee Chairman Darrell Issa, R-Vista, called Friday for an expansion of the panel to include not just opponents of fracking.

Throughout the meeting there prevailed a similar tone critical of efforts to rein in the oil business. Meanwhile, speakers and the three congressmen alike touted the industry's potential to create jobs, roll back soaring gasoline prices and utilize new technologies that increase the nation's energy independence.

One of the speakers, Assemblywoman Shannon Grove, R-Bakersfield, denounced what she called an ongoing, "full-out assault" on the industry by regulators and lawmakers.

She responded with jabs of her own, recalling as the owner of an oil field contracting business a time when production came to a halt because an endangered, blunt-nose leopard lizard was spotted on the work site.

When that happens, she said, "everybody sits around and waits for that lizard to leave."

She and other speakers said the energy industry is poised to ramp up production and thereby reduce exports from countries hostile toward the United States -- as soon as unnecessary restrictions are loosened.

McCarthy noted that other countries do not face similarly restrictive energy policies, which he said put U.S. oil producers at a competitive disadvantage in the global marketplace.

"If we make it harder here," to produce oil, he said, "we will still buy it somewhere else."

Steve Layton, president of Bakersfield-based oil producer E&B Natural Resources Management Corp., cited several examples of significant production delays caused by federal and state regulation. Among these was a lengthy wait for regulators to sign off on a proposed pipeline through an existing oil field.

But he and others also touted the industry's success in instituting new technologies, from oil well steam flooding to three-dimensional imaging, that have greatly expanded the life of Kern's

aged oil fields, which combine to provide about 10 percent of U.S. oil production.

Rock Zierman, CEO of the California Independent Petroleum Association trade group, took aim at President Obama's proposal to halt federal oil subsidies. Zierman said these longstanding measures were more akin to tax treatments that, if removed, would likely drive up fuel costs.

Tupper Hull, vice president of the Western States Petroleum Association, another industry trade group, took the opportunity as an invited speaker to testify in favor of greater California offshore oil production.

Off the coast awaits some 10.5 billion barrels of oil -- enough, he said, to replace all California oil imports for 36 years.

Recognizing U.S. skittishness with regard to offshore oil production in the wake of last year's oil spill in the Gulf of Mexico, Hull noted that conditions off the coast of California are much less risky than they are in the gulf. He said California's offshore wells are much more shallow, face less water pressure and have better access to safety equipment and technology.