

In light of the recent new expression of impending action by the Secretary of the Interior we have again made our views known to him as we were pleased to make them known to the Senate Committee on Interior and Insular Affairs on February 21-22, 1967.

I feel that our collaboration with the government has been fruitful in this respect and in this feeling we are proceeding to continue our cooperation. I am sending you this separate note just to let you know that this is not only a technical exercise with the Company but throughout our organization we are, all of us, vitally interested in the development of this production.

Again, I am thankful that you are taking such a strong interest in this matter.

Sincerely,

E. L. STEINIGER,
Chairman of the Board.

SINCLAIR OIL & GAS Co.,
Tulsa, Okla., March 8, 1967.

Hon. H. M. JACKSON,
Chairman, Senate Committee on Interior and Insular Affairs,
Old Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Sinclair Oil & Gas Company, the exploration and production subsidiary of Sinclair Oil Corporation, submitted comments on the announced Oil Shale Policy of the Department of the Interior to Secretary Udall on February 14, 1967. Our representatives attended the open hearing of the Senate Committee on Interior and Insular Affairs on February 21-22, 1967. We are pleased with the deep interest evidenced by members of the Senate in future oil shale development.

During your committee hearings, a number of points were raised on which we would like to base further comments. We understand that the record of this meeting is being held open for additional submittals of information and request that my letter to Mr. Udall of February 14 (copy attached) be included in the record of this committee meeting as representing the views of Sinclair on certain matters together with the following elaboration commenting on items raised during your hearings.

1. We strongly believe that there will be real need for a viable oil shale industry in the next decade to meet the needs of our domestic economy, to provide for national emergency, and to prevent serious balance of payment problems due to overdependence on foreign supplies of raw hydrocarbon materials.

2. A company can be expected to risk major research expenditures on oil shale only if assured that it will have a commercial land position as a result of such work. This assurance is not provided by the two-step award procedure implied by the Secretary's announcement.

3. We were pleased to hear a number of comments by Senators as well as by Secretary Udall indicating that the proposed program should recognize the serious research efforts of the several companies who have been striving to develop commercial methods of producing oil from oil shale. Sinclair has invested considerable sums in its own laboratories as well as through the Anvil Points research group to develop a commercial technique for producing shale oil by mining and retorting and has conducted expensive field experiments, independently, since 1953 to evaluate new methods of recovering shale oil with in-situ techniques.

4. In view of the extensive statements made at the Senate Hearing concerning recovery of Dawsonite as well as shale oil, we would like to advise that we have carried out joint research with the Aluminum Company of America for nearly a year. This work is currently in progress and is expected to continue for some time using actual core materials obtained from Sinclair properties. A potential process for alumina recovery has been conceived and is being evaluated. It is premature to expect any company to have conclusive results now as to the economics and processing of these deep, complex, and low-grade assemblages of minerals and hydrocarbons. However, the serious nature of our cooperative investigation illustrates the need to include provision for multiple company operation of both research and commercial leases.

We shall look forward to attendance at future hearings by your committee.

Sincerely,

G. D. ALMEN, Jr.