

Private citizens, associations, corporations or municipalities would be eligible to make proposals for leases. Evaluation of their proposals, after "consultation with appropriate Federal, state and local agencies," would be based on a number of specified factors. Among these would be prospects of attaining commercial feasibility of a variety of mining and processing methods, under varying conditions; enhancing chances to make maximum recovery of other minerals involved; improving the competitive opportunities for smaller companies; and limiting potential hazards to the environment and to human safety. Other factors would be the applicant's financial and technical capabilities; his need for leased lands to do the work; the pace of his proposed research and development; the likely effects on competition; etc.

Applicants must disclose their interests in other oil shale lands, and state their need for a lease, the financial and technical capability, their plan of work, including research goals, and the nature, location and cost of plants and equipment they would install. They would have to specify the number of "key persons" to be employed, and the qualifications. Also required will be a schedule of proposed expenditures, and the techniques to be studied.

Additional information to be provided will include a description of steps to be taken to avoid or minimize possible adverse effects on the environment, the applicant's water needs and source of supply, the measures to prevent waste of mineral resources, and plans for a commercial operation if the research succeeds.

There would be a minimum royalty to the Federal Government of 3 percent of the gross value of the mineral products from the oil shale at the point of shipment to market, with a graduated scale of royalties ranging up to 50 percent of the net income from the property. "The purpose of the sliding scale of royalties is to encourage new ventures in oil shale development, while protecting against the possibility of windfall profits," Secretary Udall said. Royalties would be subject to readjustment every 20 years as required by the 1920 Mineral Leasing Act.

The lessee would be required to submit annual progress reports on all work accomplished and results achieved during the research period. The information will be promptly made available to the public.

The right to use inventions made during or under the research term of the lease will be available to the public without charge in accordance with, and subject to the limited exceptions of, the President's Statement of Government Patent Policy of Oct. 10, 1963. In addition, the lessee would be required to issue licenses at reasonable royalties, permitting use of patents he may own which are necessary to permit others to use inventions resulting from the research.

Before approval, leases would be submitted to the Attorney General for advice on their consistency with the objectives of the Federal antitrust laws.

The Department announced that proposed regulations to govern exchanges of oil shale lands, also are being published in the Federal Register. This would implement Point 2 of the five-point shale program, permitting exchanges of scattered holdings of private lands in the region for Federal land of similar qualities. This will permit consolidation of private holdings for efficient mining operations.

Lands offered to the Department for exchange would have to have a value at least equal to the value of the selected public lands. All exchange proposals would be advertised in local newspapers in order that others who wish may also apply for the selected public lands within 60 days.

U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, WASHINGTON

[43 CFR, PART 3170]

OIL SHALE

Basis and Purpose. Notice is hereby given that the Department of the Interior proposes to amend the regulations regarding the leasing of oil shale lands, found at Part 3170 of Title 43 of the Code of Federal Regulations, by revoking those regulations and substituting the proposed regulations set forth below.

Interested persons are invited to submit their comments in writing to the Director, Bureau of Land Management, Department of the Interior, Washington, D.C. 20240, within thirty days of the date of publication in the *Federal Register* of this notice. Persons wishing to present their views orally are requested to communicate with the Director, Bureau of Land Management.