

because it is always the case, that some of them will come in at the tail end, just before the final deadline. Indeed this record here is, in essence, part of the same record.

We are carefully studying these comments to test out our assumptions and to improve our approach. I am pleased to furnish the committee copies of the comments, with a brief summary. Aided by these comments we have in process—and we are not waiting until October—we already have underway the further intensive study of oil shale policy which is so necessary in arriving at the decisions on a proper program. Our target date for completion of this study is mid-January 1968.

I would now like to outline the manner in which our proposed regulations would operate in their present form; that is, the form we published them in May.

We would expect that those interested in research on the publicly owned oil shale lands would present their proposals to the Bureau of Land Management. The proposals must look toward research in the recovery and processing of oil shale during a maximum research period of 10 years. The applicant would have to show that he is technically and financially capable of conducting the work and has a serious interest in going forward. Before any lease would be issued, the Department would decide whether there is any basis for permitting the statutory maximum of 5,120 acres to any single venture. If the facts demonstrated that any optimum operation, allowing for reasonable reserves, could be expected to need less than the 5,120-acre maximum then a lesser figure would be the maximum specified in the lease.

The lease would have two phases. The first phase, which would be a maximum of 10 years, or any shorter period of time if the work moved more rapidly, would permit the applicant to engage in the proposed research and development on a designated tract of oil shale land within the area leased to it. During the research phase if the applicant needed less than the total acreage of the lease, he would, therefore, be permitted to conduct the research only on that part which he demonstrated he needs. When the applicant completed his research within the 10-year term, and satisfied this department that he had developed a commercial process, he would be authorized to begin commercial production. The acreage within the maximum which would be permitted for commercial production would be that amount which the applicant demonstrated was needed for his commercial operation, with a reasonable amount for reserves.

In considering whether to issue a lease, a number of facts would be important. Leases for the purposes of speculation or to hold the land without doing the research and development would not be issued.

We are not going to give someone a lease that they can sell. That is not in the public interest.

It would therefore be necessary for the applicant to demonstrate his need for the Federal acreage. Any applicant who asked for a tract similar to shale lands he already holds, in terms of acreage, overburden, grade, thickness, quality, and depth of deposits, and accessibility to transportation, water, and other needed resources, would have a heavy burden to discharge. On the other hand, much