

nonmineral in character, and upon the further ground that the claims were not valid as of the date of the passage of the Mineral Leasing Act, and yet, notwithstanding this fact, the Department of the Interior many years latter issued patents to these lands.

I was concerned, especially in this case, by the fact that person who sold these lands to an oil company, the General Petroleum Corp., of Delaware, was able to sell some 5,000 acres of unpatented land for a considerable sum of money, and apparently the General Petroleum Corp. was sufficiently confident of the ultimate acquisition of the title that they paid a considerable amount of money for these claims. For the 24,000 acres, this patent applicant paid the Government of the United States some \$61,500—\$2.50 an acre—under the Mineral Leasing Act. These same lands were sold, actually an undivided interest in the same lands was sold, for a sum in excess of \$1.5 million.

If someone is entitled to a patent under the Mineral Leasing Act and is entitled to acquire the fee title to the land at \$2.50 an acre and thereafter makes a profit, then that is something lawfully, properly, and reasonably done. But if there is any suggestion that the title to the patent ought not to have been released by the Government, then this is certainly an instance of a windfall profit which the Department ought to protect the public against.

Senator Moss. May I interrupt you for just a moment?

Mr. LYNCH. Yes, sir.

Senator Moss. Are you talking about the Mineral Leasing Act or the mining law? I do not believe you can get a patent—

Mr. LYNCH. If I said that, then it was said in error. I am talking under the mining law of 1872. You can get a patent under the mining law; you cannot get a patent under the Mineral Leasing Act. That is correct.

So the first point I want to make, and this is about all that I would say as to this point, is that I think there ought to be a review of the procedures that are followed in the Department of the Interior in dealing with these valuable public resources.

In the hearings of March 12, I think it was, or May 12, 1965, Under Secretary Carver clearly brought the power into focus, the tremendous power of the Department when he indicated that in a single lease of 5,120 acres you could have up to 18 billion barrels of oil equivalent.

So the point that I am making is that, before the Department is entrusted, as really it is already, I think, by law, but since Secretary Udall is asking the guidance of the committee, I think the committee should recommend or request that there be a review of the procedures in the Department for dealing with these lands to prevent the kind of things that have happened in the past, and also to assure that all decisions which are made are made in the public interest.

Now, in saying this, again I am not trying to cast aspersions on anybody's honesty and integrity, but certainly the procedures have left much to be desired.

Specifically, I think someone should inquire of the Secretary why it was that, even though the Department was well-advised of this great spate of claims, no withdrawal orders were issued until after all the land, essentially all of the valuable land, in the center, the heart, of the Piceance Basin had been claimed.