

to all. And if leases are issued, why shouldn't the patents developed in connection with R & D leases be made public rights as a condition?

Doesn't the "net" approach for computing royalty open up the Government to cost-plus type manipulations and abuses?

Since the discovery is assured already, why should the public take less than 1/8th or 12 1/2 percent of the gross as is traditional in the petroleum industry as a minimum in most states—say after the first 1 billion barrels of cumulative shale oil production in the Nation?

Why lease at all?

Why doesn't the companies use the 380,000 acres that are already divested from Federal ownership in Colorado, Utah, and Wyoming, that contain an estimated 200 billion barrels of shale oil reserve?

Why issue leases before the results of the nuclear in-place retorting tests are run?

Why lease any lands before the Belser in-place retorting process is proven or disproven?

2. Sound plan for development needed

Gentlemen of the Senate, the leasing regulations should not be adopted because the officials in the Executive branch should first consider and recommend to Congress a plan for the development of the vast public domain reserves under a corporation chartered by the Government. Obviously the Secretary, in proposing the leasing regulations, has shut his eyes to the rational development of the oil shale reserves and related land and water resources by ways and alternatives other than by way of leasing to oil companies and individuals and other entities. Leases if issued will only lead at most to piecemeal type monopolistic development by major oil companies or by giant consortiums of big money.

Before any leasing of any type is adopted, it is necessary that the Department officials reveal to the public just how they are controlled by the powerful forces of the private interests who dictate and manipulate the policies of Federal Government.

3. Scandal necessitates investigation before leasing

Gentlemen of the Senate, the oil shale scandal is so big that no leasing regulations should be adopted until appropriate Senate Committee investigations are held to expose the oil shale scandal nationally. The public is entitled to know what our Federal officials have been doing for some 30 years. Have these officials been bought and paid for all these years? Who placed them into positions of power? To whom were they beholden? To whom are they now beholden? Why were the oil and gas lease frauds upon the Government put to sleep by high Interior and Justice officials? Who might have been paid off with cash, if not by political positions of power?

4. Leasing Act provisions outdated

Gentlemen of the Senate, no oil shale leasing proposals should be adopted as national policy because it is time to update the Mineral Leasing Act of February 25, 1920 particularly insofar as that act contains any authority for leasing of oil shale lands. At the time the Act was passed Congress and the Executive Branch did not possess all the facts available presently on the oil shale resource. Even now the Department of Interior does not have a complete inventory of the land, water and mineral resources in the area of the oil shale deposits in Colorado, Utah, and Wyoming. Before any sensible evaluation and plan can be made for the future development of the oil shale resource it is necessary that Congress require the Secretary of Interior and the entire Executive Branch to make complete inventory of the resources in the area of oil shale deposits. Otherwise, Congress and the Executive Branch will never be able to adopt a wise and national policy for the development of the oil shale and related resources.

X. RECOMMENDATIONS TO CONGRESS

Congress should—

- (1) scale down the leasing proposal to a true R & D scale—not over 1.5 billion barrels of shale oil reserves in the aggregate;
- (2) gear up Interior staffs and resources to support effectively the preparation of mining contests on all available charges involving pre-1920 oil shale mining claims;
- (3) require Interior and Justice Department officials and employees to represent the United States effectively in the "Trillion Dollar" court case which has been appealed to the Circuit Court of Appeals in Denver;