

APPENDIX A

(The comments submitted by Senator Hansen are as follows:)

HON. CLIFFORD P. HANSEN,
U.S. Senator, Washington, D.C.

GREEN RIVER, WYO., June 22, 1967.

DEAR CLIFF: I recently received a letter from Russ Beamer of the Wyoming Mining Association requesting that some of us from the Green River area review the recent Department of Interior's proposed regulations dealing with oil shale as they appeared in the Federal Register, Volume 32, No. 90, May 10, 1967.

I cannot speak for my company on this situation, but I do have some personal comments that I would like to pass along to you.

To me, the proposed rules are so completely opposite to all free enterprise, capitalistic theories that I find it difficult to imagine people in our government proposing such rules and regulations, particularly when they claim that these rules and regulations are to encourage competition in development and use of the oil shale. It is even more discouraging when you see this type of thing and see where one of the government secretaries arbitrarily issued an order against all reasonable and sensible data placed before him. Even so, I will pass on these few comments which may be of assistance to you in evaluating the subject.

Section 3170.0-5.—The use of the word "substantial" in reference to amounts of oil or gaseous products and the use of the word "significant" in relation to damage to oil shale beds used in this section leaves the whole definition wide open. I think that anybody will agree that these two words have multiple meanings. How is one to know if their proposed leases will yield substantial oil or gaseous products until they have done the research work? If the rock must yield oil or gaseous products by destructive distillation, the methods of obtaining oil and gas are set and quantities may be defined. Damage can be set also by simple definition.

Section 3171-1.—It is not my interpretation of a free enterprise system that allows a municipality to compete with its own citizens in leasing mineral deposits.

Section 3171.2.—Under No. 10, if the applicant knew all these things, particularly the mining and processing techniques to be studied, then it is not research, because you already know what you are going to do. A research program starts out with a study of the known methods, but then branches off into the areas of unknown, untested, untried methods, processes, etc.

In the same section under No. 12, again, if all of these items could be answered on application, there wouldn't be much use to conduct the research.

Section 3171.3.—It says that the State, Federal and local agencies are the monitors of your research program. I do not believe that these people know enough about such things to properly evaluate them. It is also very interesting under this section to see that the Secretary lists the limiting of potential hazards to environment above importance of limiting potential hazards to human safety. Then again, further down in that section, I don't see how the State, Federal, and local agents are in a position to evaluate the effects of competition of the projected research and so forth until after it has been completed.

Section 3172.2.—This discusses such things as commercial feasibility, optimum recovery, which cannot be decided upon until after the research work is done. Commercial feasibility is something that changes from day to day, therefore, it should not be a condition for a long-term research lease. Here again in this section, they put human safety after minimizing pollution, scenic and aesthetic damage, damage to fish and wild life, etc.