

5. Lease should reflect that royalty is payable only on the value of oil recovered from the retort, and sold; and suitable allowance for plant processing costs should be provided.
 6. No single lease shall cover more than 5,760 acres, and each shall be in compact form.
 7. No individual nor company shall hold an aggregate of more than 23,040 net acres, on a national basis.
 8. No acreage shall be offered for lease when it is known to the Government that the acreage is burdened with mining claims.
 9. When it is discovered that leased lands are burdened with mining claims, all lease terms and obligations shall be suspended until the claims are eliminated; in such cases the lessee and the Government shall cooperatively act promptly and diligently to dispose of the claims.
 10. Lessee should have the right to relinquish all or any part of a lease at any time.
 11. Operators should be permitted to participate in joint leasing bids.
 12. Leases should contain the right to unitize or cooperate in development contracts for either exploratory or development operations.
 13. Leases should include customary "force majeure" provisions.
 14. Overriding royalties in excess of $2\frac{1}{2}\%$ should be prohibited.
 15. "Multiple use" as it pertains to oil shale development should be clarified, particularly with regard to the "in situ" method versus "mining operations under oil shale leases," and with regard to the "in situ" method when used in operations under conventional oil and gas leases.
- Very truly yours,

F. R. Yost, *President.*

TUCSON, ARIZ., July 26, 1967.

Senator CLIFFORD P. HANSEN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HANSEN: I have a copy of a letter sent you by Heinrichs Geo-exploration Company and criticism of the proposed rules and regulations sent out by the Honorable Secretary, Stewart Udall.

The regulations, in my opinion, are bordering on the ridiculous, and I don't know of any person in my financial bracket who would spend any money under this type of a bureaucratic setup.

The real danger to Wyoming, Colorado and Utah is their definition of "oil shale." In Wyoming today you have quite an industry developed to mining sodium from the oil shale strata. This in turn is processed and sold as soda ash and other commercial sodium compounds. Should you allow them to adopt this definition of oil shale, this would probably allow them to refuse any future sodium leases in your state, as this definition includes all the minerals within the oil shale stratas as oil shale.

The way this is drawn I am afraid will be overlooked, and they will have some plausible excuse for this definition, but the thinking behind this is that they have a clause in their sodium regulations which says "chiefly valuable" and this clause will enable them to say that the oil shale stratas are "chiefly valuable" for oil, and in that manner will refuse to issue leases under sodium, potash, and other types of salt minerals, of which there are a great number. Some we do not know their chief value today. One we will point out is dawsonite. This is our main source of aluminum for future use in this country.

The truth of the matter is that the shale beds in your state and Colorado and Utah are "chiefly valuable" for these types of minerals and oil shale will just be a by-product of the salt minerals industry. The only chance to get the oil shale moving so we get the oil out as a by-product is in the salt minerals mining operations which are developing very rapidly.

Today our air pollution problem is becoming more serious. It has been pointed out by research that one of the main things to control air pollution will be large amounts of cheap soda ash which is one of the main products of the salt mining operation.

In your state you have the jump on everybody else, as you have a number of sodium mines in operation. Should you allow them to get away with this definition, it means that they will put their arms around all the oil shale and all the minerals which are inter-bedded with the shale, and under these regula-