

HON. CLIFFORD P. HANSEN,
New Senate Office Building,
Washington, D.C.

DEAR CLIFF: This is in answer to your letter of June 13 with respect to the Department of Interior proposed oil-shale leasing regulations. I have read them over. There are many objectionable features in detail which you will doubtless hear about, particularly from RMOGA.

Inasmuch as I personally do not have any economic oil-shale interests, I have not made a study in depth of the situation. However, I can comment from a general point of view. I do this from a background of having talked to a number of major energy companies who are interested in the coal business. As you know, coal and oil shale are in a competitive position in the national synthetic-fuel picture.

I had a visit last week with the Cleveland Cliffs Iron people and the Sohio people who have been principal financial backers of much of the oil-shale effort in Colorado. I have also talked with the management level of Sun Oil Company in Philadelphia.

I can report that invariably these people feel that the Department of Interior proposals are completely unpalatable and will inhibit the development of oil shale.

From the point of view of one who is interested in the competitive position of coal, this is to our advantage. From the point of view of the national energy position, it is unfortunate.

Some of the technical people with whom I visited in Washington feel that these regulations are mostly politics.

The principal objection, of course, is the net-profits proposal for royalty and the very limited amount of land holdings permitted to a major financial investor.

The Galbraith-Douglas talk of a windfall in oil shale is, as you have pointed out, ludicrous. In many respects extraction of oil from shale is comparable to extraction of most minerals from oceans. There are tremendous quantities of each but, under today's technology, is uneconomic. This is a time for encouragement of research, within a responsible regulation framework, rather than the hamstringing of research by socialistic regulations based on politics.

For the fossil-fuels people in competition with oil shale, these proposed regulations are the "windfall." For the national interest, however, one can only hope that the Department will come up with some new regulations based on sound economic and technological considerations.

With kindest regards,

JOHN S. WOLD.

SUN OIL COMPANY,
TREASURY DEPARTMENT,
Philadelphia, Pa., June 20, 1967.

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

MY DEAR SENATOR HANSEN: In response to your request of June 13 there is herewith a reproduction of submittal to Director of the Bureau of Land Management by Mr. Kingsley V. Schroeder, our Vice President for Production, with regard to the oil shale matter.

We trust this statement of Sun position is the information you seek.
Very truly yours,

JOHN H. MCWILLIAMS,
Manager, Land Department.

KINGSLEY V. SCHROEDER, VICE PRESIDENT OF PRODUCTION, STATEMENT ON THE PROPOSED FEDERAL REGULATIONS FOR LEASING OIL SHALE LANDS ON THE PUBLIC DOMAIN, U.S. DEPARTMENT OF THE INTERIOR, JUNE 5, 1967

Sun Oil Company is pleased that the United States Department of the Interior has provided this opportunity for comment on the proposed Federal Regulations for Leasing Oil Shale Lands on the Public Domain.

Sun does not own or have any leases on domestic shale oil lands but we wish to comment on the proposed regulations since the recovery of oil from such privately-held or government-owned deposits in the future is a subject of vital concern to our national security.