commitments in the research lease and not adjusted upward later. The ability for the Secretary to increase the required performance bond, along with the indefinite nature of the performance requirements, would provide a means for the Secretary to halt operations at any stage in the research.

The proposed requirement on the disclosure of research information (3172.9 (d)) would make it impossible for a company to develop technology processes, or engineering design information without giving that information to all other companies. This provision completely removes the incentive for carrying out a proprietary research program and is in direct conflict with the free enterprise system. Whatever competitive advantages there are in any newly developed techniques should acrue solely to the benefit of the company developing them.

It also would handicap the research work itself if a company wishes to make use of equipment or research supplied by outside contractors. It is quite likely that such a contractor would have his own proprietary position which he would not want to compromise under the proposed regulations.

Since all inventions made in the course of or under the research terms of the lease become the property of the United States (3172.9 (e)), no company doing research work can expect to recover part of its cost of the research through the sales of licenses to others. This also detracts from the incentive to do research work and, in our opinion, is an unreasonable requirement and should be withdrawn.

Finally, although Sun agrees that the Secretary always can seek advice from the Attorney General, we do not believe the proposed regulation on antitrust consultation (3172.10) should be included under the Mineral Leasing Act.

Summary

Sun Oil Company believes that the general provisions of the Federal Regulations released by the Secretary of the Interior on May 7, 1967, will discourage rather than encourage the economic development of the oil shales. With only 30,000 acres currently available for lease and a maximum of 5,120 acres per lease there will be presumably only six successful applicants. (Any lease assignment of less than 5,120 acres would not offer sufficient potential reserves to justify the expenditures necessary to develop techniques for extracting minerals from the shales.)

Further, it is Sun's observation that these provisions generally are in conflict with the concept of our free, competitive enterprise system which has proved itself repeatedly as the best approach to the successful solution to problems such as the ones that face us in the oil shale areas and which historically has been a key factor in maintaining the strength of our country.

SHELL OIL CO.,
Denver, Colo., June 30, 1967.

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

DEAR SENATOR HANSEN: Pursuant to your letter of June 13, 1967, addressed to our New York office and a similar letter addressed to our Mr. Black, we are enclosing a copy of Shell's comments on the Department of Interior's proposed oil shale regulations. These comments have been sent to the Department.

We appreciate your request and hope that our comments will be of assistance in your deliberation of the matter.

Yours very truly,

J. F. BOOKOUT,
Vice President, Denver Area.

SHELL OIL CO.,
Denver, Colo., June 8, 1967.

Mr. BOYD L. RASMUSSEN,
Bureau of Land Management,
Department of the Interior, Washington, D.C.

DEAR MR. RASMUSSEN: This letter is written in response to the Secretary of the Interior's request for comments on the proposed Rules and Regulations for the leasing and exchange of Federally owned oil shale land, which were published in the Federal Register on May 10, 1967.

We believe that the proposed regulations represent a positive step toward the development of this nation's oil shale resources; however, we are concerned over the following points and suggest they be changed to provide the necessary incentive for the risk involved.