

tary of the Interior. Without additional criteria and guidelines, this could result in a great deal of uncertainty as to the stability of a very large investment. To relieve this uncertainty, some reasonable and more definitive ground rules should be established in this regard. Additional legislation to accomplish this should not be necessary.

3172.6 Provides for automatic termination at the end of the research term unless the Secretary has previously authorized commencement of the commercial production term. As this provision now reads, a research lessee could lose the lease and all investment therein if the Secretary did not think the lessee was entitled to an extension into a production term. You could have the same result if the Secretary simply made a mistake or inadvertently failed to extend before expiration of the research term. The word "unless" is a word of special limitation and would result in automatic termination if given the usual construction. It is further noted that no provision is made for action by the lessee such as an application for extension. There is no way presently provided by which the lessee can protect his lease and investment against such an automatic termination.

An additional objection that could be raised to this section is the absence of any provisions regarding a lessee's right to remove his plant and facilities upon termination of the lease. Without provisions authorizing removal, the conventional laws of real property would require all facilities attached to the realty to remain with the realty. This would be particularly insupportable if the lease expired at the end of the research term and after construction of a plant.

3172.9(d)(3) Provides that the lessee must agree not to make available to anyone, except a representative of the Secretary, any information or results without written approval. It is not clear to the reader just how a lessee could effectuate this section. It is likely that numerous agents and individual contractors, as well as employees, will be aware of at least certain aspects of the research and at least some related information. This section needs clarification.

3172.9(e) Provides in effect that the United States will acquire title to all patents or inventions made during the research term of the lease. This title would also include the rights to patenting the discoveries in foreign countries which could be quite valuable. Presumably, any patentable discovery made during the production term of the lease would belong to the lessee. It is not clear just what the meaning is as to requirements to license previously owned patents "which are necessary to permit others to practice inventions made in the course of or under the research term of the lease, . . ." Does this mean the license to use another's discovery only during the research term of the licensee's lease, or would these rights extend into his production term?

3172.9(4) This section requires a lessee to allow access to the leased premises and all other facilities in which any part of the research is conducted to all persons designated by the Secretary. This requirement would appear to extend to allowing any "designated" competitors access even into our research laboratories.

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

MARATHON OIL Co.,
Casper, Wyo., August 11, 1967.

DEAR SENATOR HANSEN: Attached please find Marathon Oil Company's written comments on the proposed amendments to the regulations regarding the leasing of oil shale lands. We are forwarding this draft to you at this time in order to apprise you of the substance of Marathon's position with respect to the proposals as quickly as possible. The final draft is today being prepared by our home office in Findlay, Ohio, and will be submitted to the Department of Interior by our President, J. C. Donnell II. However, I am confident that the final comments will be the same in all material respects as the enclosed draft.

On the one hand Marathon concurs with the basic purpose of the proposed regulations which makes available a limited portion of the public domain for research and development of oil shale technology, but, on the other hand, we also believe that many of the detailed provisions of the proposed regulations inhibit rather than encourage industry participation in oil shale technology development.

It is our hope that these comments will be of value to you in your testimony before the committee.

Very truly yours,

Attachment.

R. W. McCANNE.