

FEDERAL OIL SHALE PROGRAM

should be that the offered oil shale land be of value approximately equal to or exceeding the value of the selected public land.

This concludes our specific comments on the proposed regulations. Humble believes that the role of the Federal Government should be to encourage economic development of oil shale by private industry at the time when shale oil can make its optimum contribution to our economy as a supplemental energy source. The action of the Secretary of the Interior in issuing appropriate regulations could be a major step forward in accomplishing this goal.

We respectfully urge that the proposed regulations be revised in accordance with the foregoing comments.

Yours sincerely,

M. A. WRIGHT.

CER GEONUCLEAR CORP.,
Las Vegas, Nev., August 11, 1967.

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

MY DEAR SENATOR: In response to your letter of 13 June 1967, I am forwarding herewith a copy of our comments to the Department of Interior regarding its proposed oil shale leasing regulations.

We appreciate your invitation to make comments directly to you in the matter. Our remarks to Interior have been quite candid. You will note in the second paragraph of our letter that we intentionally limit the scope of our comments.

Very truly yours,

HERBERT E. GRIER, *President.*

CER GEONUCLEAR CORP.,
Las Vegas, Nev., August 11, 1967.

Enclosure.

Hon. BOYD L. RASMUSSEN,
Director, Bureau of Land Management,
U.S. Department of the Interior,
Washington, D.C.

DEAR MR. RASMUSSEN: CER Geonuclear Corporation is pleased to comment on the proposed rules and regulations for oil shale leasing.

CER Geonuclear Corporation is not an oil company and does not have a direct interest in oil shale leasing. Nevertheless, as a sponsor of Project Bronco,¹ a proposed nuclear experiment in oil shale, CER does have a vital concern with the proposed rules. For unless these rules show promise of stimulating oil shale research, industrial support for Project Bronco and other oil shale research may cease, with the result that our nation's shale resource may not be developed. We are, therefore, limiting our comments to oil shale research and are not commenting on matters of royalties, competitive bidding or acreage limitations—matters the oil companies can more appropriately speak to.

A major omission from the proposed rules is that they make no provision for a company, or group of companies, which develops the technology outside the framework of the proposed rules to obtain commercial oil shale leases. It should not be necessary for a company or group which successfully completes research and development to go through a two-stage leasing program. For example, if Project Bronco successfully develops an economically feasible extraction process, the supporting companies should not have to go through an additional research and development stage as a condition for securing a commercial oil shale lease.

A second weakness of the proposed rules is the provision for publication under 3172.9(d). We are certain the Department's intent is to make information on any research breakthroughs available to the public as rapidly as possible. However, the provision that nothing can be released by the lessee without prior approval of the Secretary would have the opposite result. Perhaps the best way to handle release of date or information would be by joint agreement to its release by Interior and the lessee.

The most objectionable feature of the proposed rules is the provision which gives the Government, in the absence of exceptional circumstances, title to all

¹ Project Bronco is a cooperative Industry/Government experiment to be conducted by the Atomic Energy Commission, The Department of Interior, and a score of private companies, with CER Geonuclear Corporation as program manager.