MOBIL OIL CORP.,
New York, N.Y., May 24, 1967.

Re comments and suggestions, proposed amendment of 43 CFR Part 3170—Oil shale.

DIRECTOR, BUREAU OF LAND MANAGEMENT,
Washington, D.C.

DEAR SIR: On May 10, 1967 notice was published of proposed amendment of regulations regarding the leasing of oil shalelands, which notice invited comments and suggestions prior to June 9, 1967. This letter is in response to such request for comments and suggestions.

Since the proposed regulations introduce some rather radically new concepts, we have had some difficulty in giving them the in-depth analysis which they deserve. We have some concern as to whether they will be workable.

You have previously invited our comments on leasing regulations of oil shale which were furnished to you in our letter of March 17, 1964 (copy attached). We think the comments furnished at that time are still appropriate and valid. In my statement to the Oil Shale Advisory Board, we made one additional suggestion, namely, that for in situ research purposes, it might be appropriate for the Secretary to issue experimentation permits for tracts not exceeding 640 acres, but we reaffirmed at that time, our strong feeling that it was unnecessary and unwise to tie the leasing of Federal oil shale lands to research and development programs. We strongly reaffirm such view and feel that the attempt in the regulations to do so has created many problems which would make the regulations unworkable and will probably not result in intensified research and development work.

We would continue to recommend that leasing considerations be completely divorced from research and development matters past, present and future.

Very truly yours,

T. W. NELSON,
Senior Vice President.

SOCONY MOBIL OIL CO., INC.,
New York, N.Y., March 17, 1964.

Re comments and suggestions, proposed revocation of 43 CFR Part 197—Oil shale leases.

DIRECTOR, BUREAU OF LAND MANAGEMENT,
Washington, D.C.

DEAR SIR: On November 5, 1963 notice was published of the proposed revocation of the leasing regulations relating to oil shale, which notice requested comments and suggestions prior to February 1, 1964, such date subsequently having been extended to April 1, 1964. This letter is in response to such request for comments and suggestions.

Studies which we have conducted have caused us to conclude that, with the increasing energy demand and with further technological developments, there is a high probability that there will be commercial production of shale oil within the next decade. Ultimately we can expect that supplies of shale oil may become a significant factor in this country's total energy requirements.

Based upon such conclusions, we have caused the expenditure of substantial sums in the investigation of shale oil production research and technology. At this juncture, we have not satisfied ourselves that existing technology and development work have demonstrated the commerciability of a shale oil venture, but we have reason to believe that additional research and development work will provide the technology and definitive economic parameters to demonstrate the commerciability of a shale oil venture. The indicated activities and expenditures by various other companies supports the conclusion that a substantial number of companies share our view.

In the light of present technology and the lack of definitive economic parameters, it is our firm belief that the adoption of hastily conceived leasing regulations, without having attempted the solution of certain problems, and without having available additional information and data to assist in determining critical elements of leasing regulations, would not best serve the development of an