

Wilderness Act of 1964. After additional geological studies, both surface and subsurface we are more convinced than ever that the area offers excellent prospects for oil and gas development.

Signal is ready to perform additional exploration work leading to eventual drilling but is stymied by the refusal of the Department of Interior to issue oil and gas leases.

I. SIGNAL LEASE OFFERS

Signal is vitally concerned with a portion of the lands covered by S. 2630 as an oil and gas exploration prospect. After some preliminary geological work in the area Signal filed oil and gas lease offers with the Bureau of Land Management during the period from April to June 1967, on approximately 53,000 acres in the Shoshone National Forest, of which 20,000 acres were just within the extreme eastern boundary of the Stratified Primitive Area.

Our lease offers cover about 17,000 acres of that portion of the Stratified Primitive Area including within the Forest Service proposal for inclusion as wilderness.

All the lease offers as to the lands within the primitive area were rejected by the Bureau of Land Management on the basis that such lands were in a primitive area and were being studied for possible inclusion in a wilderness area.

This decision was pursuant to the recommendation of the U.S. Forest Service, the agency of the Department of Agriculture which administers the primitive area.

These offers were rejected notwithstanding the specific language of section 4(d)(3) of the Wilderness Act (Public Law 88-577; 78 Stat. 890) which provides in part as follows:

(3) notwithstanding any other provisions of this Act, until midnight, December 31, 1983, the United States mining laws and all laws pertaining to mineral leasing shall to the same extent as applicable prior to the effective date of this act, extend to those national forest lands designated by this act as wilderness areas.

Upon request by Signal, the Bureau of Land Management vacated the rejection decisions so that Signal might have an opportunity to prevail upon the Forest Service to change its recommendations.

Signal representatives met with members of the Forest Service in Denver, Colo., on June 1 and 6, 1967, and in Washington, D.C., on October 11, 1967, to discuss oil and gas leasing within the primitive area.

Those efforts were unsuccessful but the Forest Service did issue a permit for wilderness prospecting to Signal which permitted Signal to perform reconnaissance surface geological work within the primitive area by means of foot and helicopter.

During the months of August and September 1967, our geologists did the necessary surface geological mapping of the area. The permit terminated December 31, 1967. Signal's oil and gas lease offers are still in a pending status.

II. EXPLORATION RESULTS

This area of interest was first brought to Signal's attention by one of our geologists who had done extensive surface work in the area a few year previously.