

Ashland Oil, Highland Oil, General Crude and Canadian Superior. The Superior group was high bidder with \$11,628,691, with rejection of the unsigned bid.

The four previous federal sales in the Gulf offshore from Texas were in 1954, 1955, 1960 and 1962. They yielded only \$68.1 million for 105 tracts, an average of about \$140 an acre.

EXHIBIT No. 3

AMERICAN PETROLEUM INSTITUTE,
New York, N.Y., February 28, 1968.

Hon. JOHN YOUNG,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN YOUNG: This will confirm our recent conversation on the above named subject.

Approximately eight million acres in the Gulf of Mexico offshore from Texas are available for possible mineral lease by the Department of the Interior. Of this block, four million acres have been nominated for oil and gas lease. According to information from the Department of the Interior, of the four million acres, one million acres will be leased within the very near future. This property runs roughly from Matagorda north to Galveston.

As soon as the lease sale has been held, and the oil and gas leases have been granted by Interior, offshore drilling will begin in this area, and it is envisioned that possibly as many as 350 wells may be drilled in the Matagorda-Galveston area.

At the present time, the small amount of offshore drilling in the Matagorda area is being serviced from about 30 miles south of Matagorda, at Port O'Connor. Port O'Connor has a channel adequate to serve only as a hurricane shelter for a limited number of offshore drilling rigs, and as a take-off point for crew boats and supply boats for the drilling rigs operating in the vicinity.

However, with the leasing of the one million acres mentioned above, Port O'Connor would be inadequate for handling all the offshore drilling activities contemplated. Furthermore, Matagorda is much more accessible from Houston (from which supplies and materials for these offshore activities will be arriving) than Port O'Connor. It is estimated that of the 350 wells mentioned above, many of them will be drilled in the immediate vicinity of Matagorda, and a jetty in the area would afford a nearby shelter to these rigs during hurricanes.

I understand from those engaged in offshore drilling in the Gulf that the 12-foot channel and jetty as proposed is quite adequate for the uses to which they would be put, namely, for the use of crew boats and supply boats going to and from the offshore rigs, and for a hurricane shelter when the need arises.

Sincerely,

FRANK N. IKARD.

EXHIBIT No. 4

JUNE 14, 1968.

Hon. JOHN YOUNG,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN YOUNG: It has come to my attention that you will submit a bill recommending the Colorado River Jettys at the mouth of the Colorado River Discharge Channel in this year's omnibus bill. It is my understanding that the interim report by the District and Regional office of the U.S. Army Engineers carries a favorable report for this project.

I have been advised that the state agencies (Texas Water Development Board, the Texas Water Rights Commission, and the Texas Parks and Wildlife Department) concur in the proposed improvements, based on the preliminary field report.

This project certainly appears to be one which will produce great benefit to Texas, and I will lend my support to it in whatever way possible.

With best regards,

Sincerely,

JOHN CONNALLY.