

REPORT OF THE
NATIONAL PETROLEUM COUNCIL'S COMMITTEE

ON
SHALE OIL POLICY

January 25, 1955

CHAIRMAN OF THE COMMITTEE: B. A. HARDEY

HEADQUARTERS OFFICE

601 Commonwealth Building
1625 K Street, N. W.
Washington 6, D. C.

Telephone:

EXecutive 3-5167

NATIONAL PETROLEUM COUNCIL
COMMITTEE ON SHALE OIL POLICY

CHAIRMAN: B. A. Hardey
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Humble Oil & Refining Company
Houston, Texas

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El Paso, Texas

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The Texas Company
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American Petroleum Institute
New York, New York

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The Frontier Refining Company
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Los Angeles, California

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Standard Oil Company (Indiana)
Chicago, Illinois

REPORT OF THE
COMMITTEE ON SHALE OIL POLICY

January 25, 1955

Under date of July 30, 1954, the Honorable Felix E. Wormser, Assistant Secretary for Mineral Resources of the Department of the Interior, in a letter addressed to Mr. Walter S. Hallanan, Chairman of the National Petroleum Council, requested that a committee be appointed to advise with respect to the continuance of operation of the United States Government's shale oil plant at Rifle, Colorado.

Assistant Secretary Wormser in his letter stated that it had been recommended to the Secretary of the Interior by a committee appointed to survey the operations of the Bureau of Mines:

"...that the experimental work done solely by the Bureau on the production of oil shale and oil from shale at Rifle, Colorado, should cease, and that no further work be done with the new retort unless there is a substantial contribution by industry under a cooperative agreement."

"If industry feels that no further experimental work is necessary, then the facilities will have served the purpose for which they were developed and constructed, and disposition should be made in accordance with established procedures."

Mr. Wormser further stated:

"It would be of great assistance to the Secretary of the Interior if the National Petroleum Council would give us the benefit of its advice as to the action we should take in light of the committee's recommendation."

This committee was appointed on August 30, 1954, in accordance with the recommendations of the Council's Agenda Committee as contained in a letter dated August 20, 1954 addressed to the Chair-

man of the Council by Mr. A. Jacobsen, Chairman of the Agenda Committee (copy attached).

In considering the question raised by Mr. Wormser, the Committee has had the benefit of a thorough discussion of the Bureau of Mines operations at Rifle with representatives of the Bureau at a meeting held in Denver, Colorado, September 30, 1954, and of the comments of technical representatives from various industrial groups. This subject was also discussed in some detail at meetings of the Committee which was held in Washington on October 18th, 1954 and January 24, 1955.

The Committee feels that the Bureau of Mines of the Department of the Interior has conducted essential and valuable experiments at Rifle, Colorado. Various companies are now engaged in experimental and development work on processes for the recovery of oil from shale, and they and others will undoubtedly continue to carry on such work to the degree warranted by present and future circumstances. In the light of this fact, the Committee feels that there is no need for further government effort along these lines.

The Committee, therefore, concurs in the recommendation of the Interior Department Committee to the Secretary of the Interior to the effect that the experimental work done solely by the Bureau of Mines on the production of oil shale and oil from shale at Rifle, Colorado should be discontinued for the present and that the facilities now on the site be maintained in standby condition.

Respectfully submitted,

B. A. Hardey, Chairman
Committee on Shale Oil Policy

AMERADA PETROLEUM CORPORATION
120 Broadway
New York 5, New York

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Y

A. Jacobsen
President

August 20, 1954

Mr. Walter S. Hallanan, Chairman,
National Petroleum Council,
1625 K Street, N. W.,
Washington 6, D. C.

Dear Mr. Hallanan:

I received in due time your letter of August 4th enclosing copy of letter to you from Mr. Felix E. Wormser, Assistant Secretary of the Department of the Interior, requesting that the National Petroleum Council advise him with respect to the continuance of operation of the United States Government's shale oil plant at Rifle, Colorado.

Acting under Article 14 of the Articles of Organization of the National Petroleum Council, I have polled the members of the Council's Agenda Committee by mail and have now received replies from all but one member of the Committee. The members who have replied are unanimously of the opinion that it is proper and advisable for the National Petroleum Council to proceed with the study and report requested by the Department of the Interior and that a committee of the Council be appointed for that purpose.

Yours very truly,

/S/ A. Jacobsen

Chairman, Agenda Committee
National Petroleum Council

AJ/dr

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

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Y

July 30, 1954

Dear Walter:

One of the recommendations made to the Secretary of the Interior by a committee appointed to survey the operations of the Bureau of Mines related to the continued operation of the government's oil shale plant at Rifle, Colorado.

The recommendation made by the committee and found on page 23 of the enclosed report, was as follows:

"It is recommended (17) that the experimental work done solely by the Bureau on the production of oil shale and oil from shale at Rifle, Colorado, should cease, and that no further work be done with the new retort unless there is a substantial contribution by industry under a cooperative agreement."

"If industry feels that no further experimental work is necessary, then the facilities will have served the purpose for which they were developed and constructed, and disposition should be made in accordance with established procedures."

It would be of great assistance to the Secretary of the Interior if the National Petroleum Council would give us the benefit of its advice as to the action we should take in light of the committee's recommendation. I understand the Council has already given the oil shale problem detailed study, which has proved extremely helpful to the government, so that I believe you already have a good background for a new examination of this government project and its value to the public.

Sincerely yours,

/S/ Felix E. Wormser

Felix E. Wormser
Assistant Secretary for
Mineral Resources

Mr. Walter Hallanan
President, National Petroleum Council
Pittsburgh 22, Pennsylvania

