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A. W. SCHIESSLER
GENERAL MANAGER
RESEARCH DEPARTMENT

27 October 1967

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Members:

W. J. Flowers	- Sinclair Research
George Roberts, Jr.	- Pan American
W. B. Glenn	- Continental
R. D. Sloan	- Humble

ANVIL POINTS RESEARCH PROGRAM

Gentlemen:

In view of our discussions with you and the other participating companies we would propose the following extension of the Initial Program in place of the program extension described in our October 9, 1967 letter to you.

Pursuant to my September 20 letter, and as discussed in Technical Advisory Committee meetings, Mobil as Project Manager hereby proposes an extension of Stage II of the Initial Program in order to complete a meaningful evaluation of the position to which the work thus far accomplished in the Anvil Points program has advanced the gas combustion retort. It was agreed that this extension which would involve an engineering study, could not be accomplished within the \$4.5 million now authorized for Stage II even though it is a logical part of such a program. The extended program would encompass the following:

1. An engineering appraisal team (made up wholly of personnel from the participating companies) would be formed immediately after the Technical Advisory Committee unanimously voted for this proposed extension.

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2. Such team would:

- a. Make engineering economic studies of the gas combustion retorting operation heretofore conducted in Stages I and II of the Initial Program.
- b. Make engineering economic studies of such gas combustion retorting operations as are modifications of the operation referred to in subparagraph a of this paragraph 2 but which are encompassed within the definition of "Retorting" appearing in Article I of the Research Agreement.
- c. Make engineering economic studies of gas retorting operations, within the areas identified below:

- (i) gas retorting operations which would be within the scope of that definition of "Retorting" which appears in Article I of the Research Agreement except for the fact that none of the heat utilized in the retort is generated by combustion of kerogen or kerogen-derived materials in the retort, and
- (ii) gas retorting operations which are within the scope of the definition of "Retorting" which appears in Article XX of the Research Agreement,

as needed to permit a meaningful technical and economic evaluation and comparison of the gas retorting operations referred to in subparagraphs a and b of this paragraph 2.

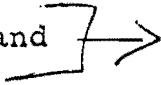
- d. Make engineering economic studies of such other specific retorting operations described by flow plans as are unanimously agreed to by the Technical Advisory Committee and as may, in its judgment, be required to permit a meaningful technical and economic evaluation and comparison of the gas combustion retorting operations referred to in subparagraphs a, b, and c of this paragraph 2.

- e. Such team would in no case consider engineering economic studies which would include traveling grate type retorts or the addition of catalyst or extraneous hydrogen to the retorting operation.


The Technical Advisory Committee estimated that such studies would require approximately 2 to 4 months to complete at a cost which would be no more than \$60,000. As you know, approximately \$90,000 will be required to maintain the Anvil Points facilities on a standby basis for 4 months beyond November 1, 1967. The total additional cost of the Initial Program would thus be \$150,000.

Upon conclusion of such studies, the results thereof would be submitted to the Technical Advisory Committee for appropriate consideration as to whether additional research and experimentation utilizing the Anvil Points facilities should be recommended.

Information developed in this program will be handled in the manner prescribed in Article 3 of Appendix I to the Lease Agreement. It is proposed to treat as "raw data" the individual flow diagrams which are developed for retorting schemes and make these available to the Department of the Interior. Those flow diagrams would show approximate ranges for process conditions and approximate ranges for oil yields but would not specify our interpretation of the optimum operation for use in the engineering appraisal. No interpretative data would be furnished to the Department of the Interior. Thus, the report setting forth the team's evaluative conclusions would be treated as interpretative information and would be referred to in only the broadest terms in the report submitted to the Secretary of the Interior under Section 3.02 of Appendix I to the Lease Agreement.

Please give this proposal your prompt consideration and provide your comments or suggestions with respect thereto. 

If this proposed program is unanimously approved by the Technical Advisory Committee, it will be necessary to amend the Research Agreement to add the incremental \$150,000 and to expand the grants and obligations of the participating companies under Article XX thereof to the extend necessary to include the work done under the extended program.

Mr. K. M. Elliott, Chairman of the Technical Advisory Committee, will soon poll the members of the Technical Advisory Committee for the necessary unanimous approval of the proposed extension. If so approved, the work could then begin. 

Very truly yours,

Original Signed By
R. W. SCHIESSLER

Robert W. Schiessler

RWS:ds

cc: W. O. Taff	- Humble
H. P. Dengler	- Humble
R. Mungen	- Pan American
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