

50

Pool report No 1 - August 18, 1975

Trip of the President from Vail, Colo., to Rifle, Colo., and then to Grand Junction, Colo.

In general the President's trip from Vail to inspect the oil shale facility at Rifle and then on to Grand Junction went according to the written schedule and without untoward incident. There was no press coverage of the President's conference with Colorado officials at the Grand Junction airport, a departure from the announced routine. The explanation was that the room was too small, and that White House press Secretary Ronald Nessen would sit in on the meeting and report later.

President Ford, hatless and attired in a dark brown sport jacket and light brown plaid trousers, seemed in excellent spirits throughout the morning, showed a lively interest during his inspection of the Paraho Oil Shale Demonstration and was about the only person who emerged from the experience - a hot and dusty one - without looking exhausted.

Mr. Ford left Vail by motor shortly after 8 a.m., drove to Avon and took off in Marine One about 8:30 a.m. In his entourage were Federal Energy Administrator Frank G. Zarb and Chairman Alan Greenspan of the Council of Economic Advisors. Waiting for the President at Avon, the pool was told by Zarb that the United States consumes some 17.4 million barrels of oil a day and produces 8.5 million. The price of imported oil is now \$14 a barrel including the \$2 import fee. Uncontrolled domestic oil fetches about \$13.50 a barrel, Zarb said, and the average price for domestic oil comes down to about \$10.10 when the controlled \$5.25 oil is included.

Against that statistical background, Zarb said that shale oil of which the nation has more than 1.8 trillion barrels in its reserves, needs to come down to \$12 or \$13 a barrel to be commercially viable. In Zarb's judgment, shale oil is still about \$5 a barrel away from that goal although others may differ.

The President's chopper flew over rugged green mountains with red and white stone outcroppings. He followed generally the line of Highway 70, along the Eagle and Colorado river valleys toward Rifle where the country was more arid - scrub cedar and sage brush, and white cliffs streaked with black. He landed on a paved secondary road near Rifle at 9:10 a.m. The welcoming group included Henry Pforzheimer, vice president of Sohio Petroleum Co and Paraho program director; John B. Jones Jr., president of Paraho Development Corp. and developer of the Paraho process; Senator Gary Hart (Dem.) of Colorado; Representative Timothy Wirth (Dem.) of Colorado, and former Democratic Representative Wayne Aspinall, once chairman of the House Interior Committee and a power on Capitol Hill.

(more)

"You look great, Wayne," the President said to Aspinall.
"-- Wayne and I were sworn in in Congress the same day."

The President got into a light station-wagon type vehicle and began a long, dusty and at times frightening ride up the mountainside on a gravel road built by the federal government in the ~~1930s~~ 1940s. Clouds of dust arose. It was at times nearly impossible to see the vehicle ahead. The grade was steep and the drops on the valley side were precipitous. En route the pool was advised that the Paraho development was supported by 17 private companies each of which put up \$500,000. The land is federally owned and was leased to the project by the U.S. Bureau of Mines. Paraho - accented on the first syllable - was said to come from a Portuguese word meaning "for the good of mankind". It was chosen because Brazil, where Portuguese is spoken, had a role in the early development of the project.

At the mine shaft at the 8200-foot level, 3000 feet above the Colorado river valley, President Ford and his party were given hard hats, oxygen mask equipment for use in case of mine accidents, and safety glasses. The President received a white hat. Reporters and photographers received red. Nobody got black. Mr. Ford arrived at the mine about 9:30 a.m. and was guided into a cavernous horizontal shaft in the mountainside. About 40 feet high, 1200 feet long, and 45 feet wide. Jones explained the mining process. The President was told the oil shale being mined yields an average of about 28 gallons for each ton of shale, very rich. At present, about 500 tons a day are being mined and about 200 barrels of oil are being produced. At present the project is small, with 91 employes of whom five, including two truck drivers, work at the mine. An official estimated a full-scale plant producing 100,000 barrels of oil a day would cost one billion dollars.

The President was shown two 50-ton dump trucks said to cost a quarter million dollars each. ~~Aspinall~~ In response to a question from the President as to the economic feasibility of the process, Pforzheimer said: "We think it would be commercial at current world prices for crude oil, which is about ~~\$21~~ \$12 a barrel." On leaving, the President shook hands with mine workers and chatted with them. "I think it's a great operation - it's a useful development," he said. "We can't be vulnerable to foreign oil suppliers." One miner said he had seen oil running out of the shale rock. "Running out of the ~~rock~~ rock," Mr. Ford said. "It must be very rich. He also had a discussion with a truck driver about the perils of the mountain road.

President Ford was down the mountain at 10:25 a.m. and proceeded to inspect the facility's shale retort where the shale is heated to 900 degrees, a rock crusher, a tank farm where the oil is stored, and a site where the spent and exhausted or "retorted" shale is impacted and efforts are made to revegetate it. On ~~leaving~~ leaving, the President expressed thanks for "a first class opportunity to see an oil shale operation from one end to the other." A small crowd applauded and waved goodbye. "It's been highly educational to me," Mr. Ford said.

William K. Wyant