

Senator ALLOTT. Just for the sake of the record at this point, the statement provides for a royalty of not less than 2 percent of the quantity mined on sodium. So this would lead to one question, which my friend from Wyoming, if he would permit me, I would like to ask, and that is, would it be of considerable assistance in this area if we were successful in moving the present 15 percent depletion allowance from the point where it now applies, which is at the point of removing the shale or marl from the ground to the point of the first retorting.

I think you referred to this, at least indirectly, in your statement.

Mr. JONES. Yes, Sir.

Senator ALLOTT. Would this be of some assistance to you? The Secretary did not comment on it this morning, and I personally feel that it is one of the important aspects of this development.

Mr. JONES. There are two obviously important points. One is the determination of the amount of royalty, whether it be 5 percent or whatever, and the other is the point of application; and what we have recommended is that the gross value of the first products recovered from retorting be the point of application.

Senator ALLOTT. So that would be the product first retorted, or in the case of *in situ* retorting—

Mr. JONES. The first liquid received at the wellhead.

Senator ALLOTT. The first liquid received at the wellhead.

Thank you.

Mr. JONES. Excuse me, I am told by Mr. Sloan that what I said was about right. On most minerals extracted from the ground by the traditional mining methods, royalties run up to 5 percent. It is generally 5 percent or less, and this has been the basis of these decisions on mining.

The CHAIRMAN. Dr. Jones, we want to be fair. After you have seen the record if you wish to supplement your remarks in any way, you may do so. That applies to all witnesses.

We are trying not to ask pointed questions, and to avoid placing anyone in a position where he may not have an immediate answer. What we want, more than anything else, are the facts. We are in a new area with a lot of new problems, and we cannot do our job unless we get the information. We want as much information as we can possibly assemble.

I have just one other question, Dr. Jones. How do you feel about the need for a Federal recordation statute in connection with the applications for mining claims in the Green River Oil Shale formation?

Mr. JONES. On this, I suspect my supplemental statement will be more intelligent than the one I can make right at the moment.

From the little that I know about it I do not think that this is needed in connection with clarification of the status of these oil lands. Adequate information, procedures, knowledge are currently available to proceed with this at the present time.

The CHAIRMAN. I will appreciate having your comments because the Secretary has some real problems when so many claims, as he indicated here this morning, have been filed.

As you know, at present each county, and State has different recordation provisions and different rules that apply.