Mr. JONES. I do wish to file a statement on it. I think we know where ours are, and we have all the information needed to clear them up.

The CHAIRMAN. I would suspect that you know what property you have.

Senator Hansen.

Senator HANSEN. Thank you, Mr. Chairman.

Let me compliment you on a very excellent, definitive statement, Dr. Jones.

I do have some questions that I think follow along those that have been asked with reference to the royalty rate, and I note, as has already been observed, that you recommend that royalty rate of a fixed amount not to exceed 5 percent.

Obviously, the public is interested in maximizing the royalties that would accrue to the Federal Government, and I have no argument at all with that concern.

I would like to observe, however, and ask you if you would not agree with me, that there are other equally valid public concerns, one being, should we not be quite concerned over the complete utilization of these oil shale resources.

May I add to that by way of clarification, my belief that any fixed costs that are part of the retort operation, or whatever it may be, could well determine the extent to which the resource is completely utilized.

I am familiar in my State of Wyoming with secondary recovery operations, and tertiary recovery operations, and the breaking point occurs when the cost of bringing a barrel of oil above ground and refining it will not repay all of the other costs that have gone into it, including interest on the investment. When that point is reached, it becomes very marginal.

Now, we are leaving, and I understand this is true not only in Wyoming but, perhaps, in the many other States as well, oil underground that could be brought up if you want to spend enough money to bring it above ground, but if it cannot be brought above ground so as to return a profit to the oil company, it is not going to be brought above ground.

Would you agree with me, this ought to be part of the consideration, public consideration, in the resolution of this royalty rate question?

Mr. JONES. Yes. And if I tried to talk on it, I think I would repeat what you said, Senator. This is, I feel, appropriately a consideration that a group such as yours should take into account, because it is part of the environment in which the company operating will make its economics and determine its course of action.

Senator HANSEN. I heard estimates made that we can probably produce not fewer than 80 billion barrels of oil, as I recall, from our present projections of the application of our technology on this resource, and up to as many as 2 trillion barrels. I do not know how much will be produced, but I suspect that the amount that will eventually be produced will reflect a number of factors, and included in those will be the cost of the royalty return that must go to the Government.

Also, there is another area of proper public interest, and that is, I feel, that the public generally will benefit from the production of a low-cost fuel, so that we may think about the ultimate tax take in