

Oil revenues increase

Juneau - Gov. Jay Hammond has announced that the state received more than \$13 million in additional revenues for July from Prudhoe Bay producers, due to its new agreements for a higher price on state royalty oil.

Hammond said the July royalty payment was \$52.5 million compared to \$39 million for June. The higher price agreements reached with the three major producers was retroactive to July 1. The average well head price was \$9.29 per barrel in June and went to \$12.46 per barrel in July.

The governor noted that the state has an obligation to insure that the highest price possible is paid for the state's oil and gas resources. Under the agreements reached in early June, \$13.07 is the maximum legal price the state could receive for its royalty share of the Prudhoe Bay oil.

"These are one-time only oil dollars for a resource that belongs to all the people of Alaska," Hammond said, "Thus it is necessary that the state receive the highest royalty payments possible, so that when the oil runs out we are not left with an overheated economy and little in the way of benefits for the people of Alaska."